Old file Legis 6-37 SC. No 1 III

NOTES

MYSORE GOVERNMENT SECRETARIAT

File No.....

Department of Revenue

Section C.P.I.

Subject : Notification And Rules under the Money lenders Act 152

References :

Date	To whom sent	Notes and instructions

Notifications and Rules under the Money Lenders Act.

General and Revenue Secretariat. | File No | of 19 . | [App. F. III-2

Serial No.

1 The Money Lenders Act, which received the assent of His Highness the Maharaja on 3-7-1939 has been published in the Gazette of the 27th. instant.

2 The following points arise for consideration and are submitted for orders.

AREA AND EXTENT OF APPLICATION.

3 Under section 1 (2), Government have to apply all or any of the provisions to any local area from a specified date.

I

Maybe extended to the whole State from 1st Oct 1939

The whole Act except the provisions relating to licensing may perhaps be extended to the whole State and notified as coming into effect from the 1st. October 1939. Sufficient time would then be available for framing rules etc.

II

Besides Pathans & Marwaris, There are other city moneylenders like Ravuthars, other village moneylenders who are also extortionate - report to Spectrable methods. The DCs may be consulted as to who should be subject to license

CL.

5 The provisions relating to licensing may perhaps be applied to pawn-brokers all over the State and to Pathans and Marwaris in Bangalore, Mysore and the K.G.F. area, i.e. more generally to those non-Mysoreans who have settled down in the State only to carry on the business of moneylending as their sole profession.

EXEMPTIONS.

6 Power is given to Government to exempt any money lender or class of moneylenders from the operation of all or any of the provisions of the Act.

7 Under this power perhaps all banks registered under the Mysore Companies Act, 1938, may perhaps be exempted

NOTE—Contn. Sheet

old file

Legis 6-3a
SC. No 1
III

NOTES

MYSORE GOVERNMENT SECRETARIAT

File No.....

Department of Revenue

Section G1

Subject :

Notification And Rules under the Money Lenders Act

152

References :

Date	To whom sent	Notes and instructions

Notifications and Rules under the Money Lenders Act.

General and Revenue Secretariat. | File No. of 19 | [App. F. III-2

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1 The Money Lenders Act, which received the assent of His Highness the Maharaja on 3-7-1939 has been published in the Gazette of the 27th. instant.

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3 Under section 1 (2), Government have to apply all or any of the provisions to any local area from a specified date.

Maybe extended to the whole State from 1st Oct 19?

I

4 The whole Act except the provisions relating to licensing may perhaps be extended to the whole State and notified as coming into effect from the 1st. October 1939. Sufficient time would then be available for framing rules etc.

Besides Pathans & Marwaris, There are other petty moneylenders like Ravuthars, & other village moneylenders who are also extortionate & resort to objectionable methods. The D.C's may be consulted as to who should be subjected to license

Cl.

II

5 The provisions relating to licensing may perhaps be applied to pawn-brokers all over the State and to Pathans and Marwaris in Bangalore, Mysore and the K.G.F. area, i.e. more generally to those non-Mysoreans who have settled down in the State only to carry on the business of moneylending as their sole profession.

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NOTE--Contn. Sheet

Serial No.

from chapter II & III relating to Registration and licensing and regulation of accounts. The Companies Act lays down sufficiently protective and stringent safeguards in regard to the duty to keep proper accounts and it may not be necessary to duplicate this duty. The Imperial Bank of India might also be exempted. In the case of other Banks registered under Acts otner than the Mysore Companies Act, and carrying on business in the State, exemption could perhaps be granted on individual applications after ascertaining the extent of business in the State, the extent of assets in the State over which local creditors could have a hold and such other details.

III(a) Banks registered under the Mysore Companies Act may be exempted. Imperial Bank is understood to have also a sort of branch in the city may be exempted

CL

III(b) Banks registered under may be granted exemption on their application after ascertaining particulars as noted

8 Co-operative societies and Banks also require consideration. In this matter, the opinion of the Registrar of Co-operative Societies may perhaps be obtained as to which societies and Banks may be exempted from the provisions of Chapters II & III.

III(c) The Registrar ... may be consulted

CL

REGISTRARS

9 The appointment of Registrars of Moneylenders under section 3 is also for orders.

10 Since registration is compulsory in every case and moneylenders are spread all over the State, he should be an easily accessible officer of some status. Amildars, Sub-Division Officers and Sub

IV Sub Registrars may be registrars of moneylenders in their respective jurisdiction

CL

Serial No.

Sub Registrars may perhaps be appointed Registrars under the Act in their respective divisions

INSPECTING OFFICERS.

V

Sub. Div. officer may be inspecting officer. GL.

1) Under section 13 the officer who has power to inspect the accounts of moneylenders in certain circumstances has to be designated. Considering the discussion in the Select Committee and in the Legislative Council which indicate the desirability of a somewhat senior officer being invested with this power, it may perhaps be desirable to give this power to Sub Division officers only.

RULES.

2) A draft set of rules is being worked up and will be submitted. The following points are for orders in this connection.

The fee for Registration and Licensing.

3) The scale of fees in other places is given below:-

	Registration. Rs	Licensing. Rs.
C.P.	18/- effective for 4 years.	
Calcutta (Bill)		15/- effective for 3 years.
Bombay (Bill)		Given in a schedule, advalorem and varying from 1/- to 1000/-

NOTE—Contn. Sheet

Serial No.

	Registration. Rs.	Licensing. Rs.
Punjab (Bill)	5/-	To be fixed by Rules.
England.		£15/- (in certain circumstances £10/- or £7/6)

VI (a) The fee for registration may be fixed at Rs 3/- This is once in 3 years.
(b) The fee for license may be fixed as Rs 5/- This is annual

Cl.

14 Considering the above table, the fee for ~~xxxx

Serial No.

VII (b)

17 The fee chargeable by a pawnbroker under section 12(2) may perhaps be fixed at 0-1-0 anna following Madras.

1 anna for maybe fixed Gl.

Language etc., under section 9.

18 The question of language, form, script, numerals in which accounts have to be maintained under section 9 is also for orders.

VIII

19 Regarding language, to start with perhaps, accounts may perhaps be permitteed to be maintained in any language subject to the condition that where it is maintained in a language other than English or Kannada, the receipt and statements under sections 11 and 12 required to be given to the debtor should be in English or Kannada with a certificate that the translation is a true one.

May be kept in any language provided a true translation in English or Kannada is furnished to the debtor or the inspecting authorities. The script & numerals may be such as are ordinarily in use for the language adopted Gl.

Fee under section 21.

20 Under section 21 the fee to accompany a petition to Government for removal of disqualification may perhaps be fixed at Rs.2/-, the usual fee for petitions to Government.

Rs 2/- for may be fixed V

21 The other questions like forms to be prescribed, etc., will be submitted for orders with the draft rules.

22 After the Act comes into force a number of questions are likely to arise for the consideration of Government and a number of returns, statements

NOTE—Contn. Sheet

Notifications and Rules under the Moneylenders Act

File No of 19 .

General and Revenue Secretariat.

Serial No.

and reports are likely to come to Government for information and otherwise. The Branch or Branches that have to deal with the administrative side of this work and receive, work up and report on these matters have also to be fixed before the Act is brought into force. This point is also submitted for orders.

Law Secretary). 3/8/39

Pres 8.39

The D.C's of Districts maybe in administrative charge.

SECY. LAW DEPT. 760 3 AUG. 1939 GOVT OF MYSORE.

24 The above note raising points for orders under the Moneylenders' Act has been prepared under my instructions.

25 Licensing may come in a little later after ascertaining from D.C's who are all the kinds of moneylenders who should be controlled by licensing. It maybe somewhat invidious to mention "Pathans & Marwaris", though these are the people who should be licensed.

26 As regards registration of moneylenders, no provision is made in the Act to fix fees in the bill that I prepared originally, a clause to fix the registration had been put in in the Rules clause, but somehow this had got omitted in the several modifications subsequent. The form of application can be prescribed & I think we can prescribe that it should be a stamped paper

Notification and Rules under the Moneylenders Act 1938/5

General and Revenue Secretariat. | File No. | of 19 . | [App. F. III-2

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of Rs 3/-. Some fees have to be taken in order to meet the expenses of administering the Act. The DCs may want some additional clerks.

27 After orders are passed on the points raised, notifications under the rules

1st Member

Cl. 4/8/39

3 4/8/39

28 Secy 5/8/39

Cl 5/8

3 5/8/39

29 Draft letter to

1. the D. C's viz re to II - persons who should be subject to licence

and 2 to the Registrar Cooperative Societies re III (c) — which Cooperative Societies and Banks may be exempted from Chapters II and III

are put up for orders.

Done 16.8.39

30 Ld Secy. 3 17/8

31 CC. 18/8 3 18/8

Issued P 1032 - 40 dated 21.8.39 to the DCs & Districts

Issued P 1066 dated 24.8.39 to the Regr Cooperative Societies

Issued P 1067 dated 21.8.39 to the Regr Joint Stock Companies

NOTE—Contn. Sheet

OFFICE OF THE ... COUNCIL
AUG 4 1939
...

Rules - Notification under Moneylenders Act

File No cf 19 .

General and Revenue Secretariat.

Serial No.

As personally instructed by the Law Secretary, a draft letter to the Secretary, Legislative Department Govt. of Punjab is put up for orders. Law Secretary). 33 Dr Secretariat.

22-8-39

34 Issued D.O. No P 1123 dated 23.8.39 to the Law Secretary, Govt of Punjab.

From

The Registrar of Joint Stock Companies in Mysore, Bangalore

letter no C.502/39-40 dated 28th August 1939

forwarding a list of Banks that may be exempted from Ch II & III of the Moneylenders Act.

35 The Registrar is of opinion that Banks which satisfy the requirements of Sections 277F to N of the Mysore Companies Act and Branches of foreign Companies which fulfil similar Provisions of the Indian Companies Act may be exempted from Chapters II & III.

36 As regard to the latter Class of Banks however reference is invited to para 7 of the Notes and the order in the margin that exemption may be granted on applications of individual foreign Banks.

Subd. for orders. 37 The Registrar of Joint Stock Companies

1.9.39 Mysore is not one of those mentioned

in the D.O.d 38 Secretary). 1/9/

39 This may be considered after rules are framed

3.9.39

SECY. LAW DEPT. 1 SEP. 1939 GOVT OF MYSORE

Rule - Notification under Moneylenders Act. 16 56

General and Revenue Secretariat. | File No. | of 19 . | [App. F. IN-2

Serial No.

From

The Registrar of Cooperative Societies Bangalore

no 2893 C.S. dated 8.9.39

suggesting that Cooperative Societies registered under Act VII of 1918 may be exempted from Chapters II & VIII

40 This suggestion will, as ordered by the Law Secretary, be considered after the Rules are framed.

41 It is also suggested that the Registrar may be appointed as Registrar of moneylenders so far as Cooperative Societies are concerned. It is already ordered that Sub-Registrars may be Registrars of moneylenders. (marginal note against para 10)

Rules for notice. (by the Secretary). 3/14/9/

For 14.9.39

43 by the Secretary 3/1979

From

The District Magistrate Kadur

J1. 89-104/39-40. dated 28.9.39

suggests that all moneylenders should be required to take out licences.

44 The suggestion will be considered after the Rules are framed

For

From

The District Magistrate Kolar.

J1. C169/39-40 dated 3.10.39

suggests that Marwaris, Muttanis & Vyasyas may be licenced as also Pathans, Kasimabadi Sahukars & Road Kings.

NOTE—Contn. Sheet

Rules & Notifications under the Moneylenders Act

File No. of 19 . | General and Revenue Secretariat.

Serial No.

From

The District Magistrate. Hassan

L. Dis C 886/39 d 3.10.39

Suggests that licensing may be restricted to cities, Town areas in the first instance & to Pawnbrokers & Firms who keep or lend on monthly or daily interest.

15 Then will, as ordered & the Law Secretary in ~~another~~ at para 89, be Considered after the Rules are framed

From

The District Magistrate Mandya

L Dis no 2259/38-40 d 21.11.39

States that all persons with an annual demand not 300/- in Villages & 600/- in towns may be treated as Moneylenders under the Act.

16 So far ~~replies~~ replies from 4 Districts have been received. Awaiting with that from the other 5 Districts this be Considered after the rules are framed.

Secy 28.11.39

Reports are due from the District Magistrates of, (1) Mysore, (2) Tumkur, (3) Shimoga, and (4) Chitaldrug.

A draft of a reminder is put up for orders

Ks 7/12/39

7/12

Issued No P 3960-3 dated 8.12.39

From

The District Magistrate, Chitaldrug

A.3. dc 156 4/39-40 d 14.12.39

forwards copy of letter already stated to be sent offering his views.

Mangalore

The K.S. Tree Toddy Boundary and the reserved of the Pirates Association

Ref 12

from D.M. Bangalore L B1-1061/39 d 29-11-39 forwards his views

Serial No.

47) Draft Rules under the Moneylenders Act have been framed and are submitted.

Chapter I is preliminary.

Chapter II deals with registration, and the maintenance of a Register and an Index. A duplicate of the Index is required to be sent to the Deputy Commissioner so that he may be at all times in possession of information as to the number of moneylenders registered in his District.

48) Chapter III treats of licensing. Under rule 20 a licence is stated to be valid only in one District. Rule 21 provides for extension of the validify of the licence to other Districts. It is submitted for orders.

49) Chapter IV treats of the Regulation of Accounts. Rule 31 permits accounts to be maintained in any language but subject to certain safeguards.

50) Rules 35 and 36 provide for personal delivery of a statement of account. This may perhaps detract from the usefulness of a provision for furnishing the statement but such provisions are found in the Madras Rules and are adopted. This is also a point for orders.

51) Some difficulty is being experienced in the drafting of the Forms which are ~~VIII~~ eight in number. Drafts will be submitted early.

52) After the Rules are approved, a number of Notifications have to issue. Drafts of them also will be

NOTE-Contn. Sheet.

RULES AND NOTIFICATIONS UNDER THE MONEYLENDERS ACT.

File No. 3965 of 19 .

General and Revenue Secretariat.

Serial No.

50

submitted early after the Rules are approved.

Submitted. The local Sub. Registrars are proposed to be appointed licensing officers in their jurisdiction. This will mean in a way that the Inspector General of Registration will be the administrating officer. If this position is approved he may be consulted regarding the Rules proposed and he may be requested to suggest suitable persons. Draft Govt. order

Law Secretary 22/12

From D.M. Shimoga J.J.C. 140/39-40 d 3.12.39 forwards his views

JY. LAW 4329

22/12

51) 1) The draft rules may be approved

2) The Act & Rules may be notified as coming into force from 1st April 1940

) The Imperial Bank & Mysore Bank have applied for exemption from the Act. They may be granted exemption.

4) The Cases of other joint stock banks may be considered as when they apply

5) The Registrar of C.S. recommends that Co-operative Societies may be exempted.

Money Lenders Act - Rules

General and Revenue Secretariat. | File No. 6 of 19 . | [App. F. III-2

Serial No.

JAN 8 1940
No 6468

5403

Rs may be done

1st Member)

6/1/40. 8/1/40

I agree. Please submit to second Member

9/1/40

2nd Member)

9/1/40

9/1/40

10/1

11/1

11/1

The following draft Notifications are submitted for orders.

1. Notification publishing the Rules and Forms. (These will come into force on and from 1. 4. 1940).

2. Notification applying the Act except Sections 7 & 8 re licensing, to the whole State from 1. 4. 40.

3. Notification exempting the Bank of Mysore, Imperial Bank of India & their Branches, and all Co-operative Societies registered under the Mysore Co-operative Societies Act, 1918 from the Act.

4. Notification appointing Sub. Registrars ~~registrars~~ appointed under the Mysore Registration Act as Registrars;

NOTE-Contn. Sheet.

Moneylenders' Rules & Notifications 3965 P & 4342 P

Legs File No. 37 of 1939

General and Revenue Secretariat.

	Serial No.
Moneylenders within their respective Jurisdictions.	
5. Notification authorising Assistant Commissioners in Charge of Revenue Sub-Divisions to inspect accounts of Moneylenders within their respective Jurisdictions. Submitted for orders. (Law Secy) 3/2/40	
One 2.2.40.	
3rd For perusal before noon.	
1st Member) 6e 2/2/40	
3 2/2/40	
3rd Mee 2/2/40	
2nd i	
3rd 3 3/2	
Issued P 5265 - Legs 37-39-1 dated 3.2.40 to Compiler publishing Rules and Forms.	1
Issued Notification P5266 - Legs 37-39-2 dated 3.2.40 to Compiler Notifying application of Act & date	2
Issued Notification P5267 - Legs 37-39-3 dated 3.2.40 to Compiler Notifying exemption of Bank of Mysore, Imperial Bk Branches & Cooperative Societies from Act	3
Issued Notification P5268 - Legs 37-39-4 dated 3.2.40 to Compiler appointing Registrars of moneylenders	4
Issued Notification P 5269 - Legs 37-39-5 dated 3.2.40 appointing Inspectors of accounts.	5

FEB 2 1940 No. 7327

Mysore Moneylenders Act – Rules – Notifications

L 54

General and Revenue Secretariat. | (Ly. File No. 37) of 1939. | [App. F. III-2

Serial No.

61) The notifications have issued. A D.O to the Compiler that they have to appear on the 8th instant and asking the proofs by Monday is put up for orders.

For 3.2.40.

62) Issued D.O no P 5270 d 3.2.40 to the Compiler Mysore Gazette.

63) The proofs have been received and revised. a draft D.O that the Rules have to appear in the 8th issue of the Gazette and for supply of certain Copies of the Rules and Notification is put up.

For 6.2.40. An additional para to 5, that moneylenders doing business on the 1st April 1940 may get registered within 15 days of that date is added as ordered by the Law Secretary

For 6.2.40 Issued D.O no P 5 330 d 6.2.40 to the Compiler

From

The Agent, The Indian Bank Ltd Bangalore

Letter no K 134/405 dated. 13.2.40

requesting for exemption under the Mysore Moneylenders Act.

64) The Bank states it is a Joint Stock Bank regd. in 1907 filing returns with the Regr under the Companies Act, & it is approved by the Finance dept for deposit of Govt monies and Government aided Concerns and that its rates of interest Compare favourably with the rates under the Act and that they are maintaining regular accounts regularly audited A draft notification exempting the Bank is put up for orders

For 13.2.40.

65) The Indian Bank Ltd maybe granted exemption. They have the same status as the Mysore Bank which is exempted.

1st Member

4/37

13/2

each new 14/2/40

NOTE—Contn. Sheet

( ) OF T..E
( ) SECRETARIAT

FEB 13 1940

No 7793

Rules - Notifications under the Mysore Moneylenders Act.

File No. of 19 .

General and Revenue Secretariat.

Serial No.

6a) I have placed a note below in regard to the position in respect of Banks.

C.

1st Member

6b) As instructed by the Asst. Secy. Rev. Branch A draft notification modifying the earlier notification No. F. 5267 - Ly; 37-39-8 dated 3.2.40 exempting the Imperial Bank etc from the Act is put up excluding the Chapter re interest from the exemption.

The question of exemption of the Indian Bank is for orders.

The following other Banks have also applied for exemption and their cases are also submitted for orders:—

1. The Central Bank of India Ltd.
2. The Vijaya Bank Ltd.
3. The Sriman Madhwaraj Dharma Abhivridhikarani Bank Ltd.
4. The Canara Bank Ltd.
5. The Devanga Bank Ltd —

6) Sringeri Sri Sarada Bank

A letter has also been received from the Indian Life Assurance Offices Association, Bombay requesting that all life Insurance Companies doing business in Mysore should be granted Complete exemption from the provisions of the Act. A similar letter has been received from the Empire of India Life Assurance Co. Bangalore city.

The extension of the penal provisions of Ch III, IV & V to transactions other than moneylending business will be worked up and submitted

4342
P

Rules & notifications under the Mysore Moneylenders Act.

General and Revenue Secretariat | File No. | of 194 | [App. F. III-2

Serial No.

after the above notifications re the above named Banks and the notifications modifying the earlier notifications issued.

Submitted for orders.

5.3.40.

90) Draft Notification as mentioned is submitted for orders

12.3

1st. Member Through

(Land Rev)

12/3/40.

91) The draft notification may be approved. The Banks mentioned above and all the Life Assurance Companies working in Mysore State may be exempted in the manner proposed above.

I Member)

12/3/40.

92) We may confine ourselves to the question of executing the NOtn already issued. (The other cases may be dealt with separately) The Regr of C.S. may be queried consulted — as to co-operative institutions are concerned

12/3/40

93)

12/3/40

The Registrar of Co-operative Societies is not in favour of applying Section 15 to the Societies. But in his letter of 8th Sept 39 (7 Hay N), he has asked

ECON. LAW DEPT. 6790 GOVT OF MYSORE

MAR 12 1940 8380

NOTE—Contn. Sheet.

4342
G

Rules and Notifications under Companies Act

File No. of 194 .

General and Revenue Secretariat.

Serial No.

for exemption only with respect to Chaps 2 & 3.
~~in~~ Further the amended notification may not affect the Cooperative Societies much.

The amended notification may be issued.

~~I~~ Member)
~~2~~ Member)

Hm 2 18/3 JMW 18/3

MAY Nell 15/3/40

Nell 19.3

Hm 2 20/3 ✓ Issue Nell 20/3

8017
19.3.40.

Issued notification P6337 - Legs 37-39-6 dated 20th March 1940 to the Compiler.

Issued S.O. no P6336 d 20.3.40 to the Compiler.

The notification has appeared in today's Gazette.

Copies of the notification will be sent to the Banks concerned & the Registrar of Coop Societies as soon as spare copies are received.

The question of granting exemptions to Banks and Insurance Companies has also to be considered. The Registrar of ~~Corporate~~ Joint Stock Companies who was asked to give details about the Banks who have applied for exemption has not yet sent a reply.

If approved, the ~~last~~ reply will be awaited before submitting the main question for orders.

One 21.3.40 POSTED

N 21/3

Law Secy)

17/Hm 2 21/3 JMW 21/3

From The New India Insurance Co, Bombay
Letter d 12 March 1940
requesting for exemption.

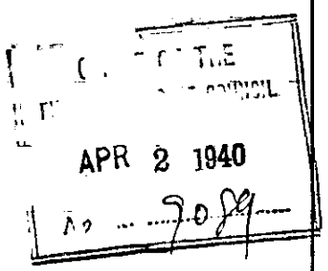
4342 F.

6457 p 39

Rules and notifications under Moneylenders Act.

General and Revenue Secretariat | File No. of 194 . | [App. F. III-2

Serial No.



From

Registrar of Joint Stock Companies.

No no C 1287/38-40 dated 29 March 1940

suggesting that the Banks referred to may be exempted and that the question of exempting insurance Companies, a list whereof will be sent by them by the middle of April.

The Registrar states that the Banks referred to (who have so far applied for exemption) are submitting regular returns and may be exempted. (Except the interest provisions)

Insurance Companies are stated to be given time till end of march to get registered and a list of Companies registered, it is stated, will be sent by the middle of April.

Submitted for orders.

1.4.40.

6776/1/4

Law Secy)

As recommended by the Registrar of Joint Stock Companies, the following banks may be exempted from the provisions of the Money Lenders' Act (except sections 14.to 17):-

1. Indian Bank,Limited.
2. The Central Bank of India, Limited.
3. Vysya Bank, Limited.
4. Madhwa Siddanta Bank,Ltd.
5. Canara Bank, Limited.
6. Devanga Bank, Limited.
7. Sringeri Sri Sarada Bank,Ltd.
~~8. Hindu Bank Karur,Limited.~~

~~First Member~~) The Hindu Bank Karur, dto has not applied to the Govt directly. But the Registrar has recommended that this bank may also be exempted. If approved, the application said to have been received by the Registrar will be called for and considered later.

I Member)

3/4/40

NOTE—Contn. Sheet.

6457

Rules and notifications under Income Tax Act

File No. of 193

General and Revenue Secretariat.

Serial No.

A draft notification exempting the Bank mentioned in the Note is submitted for approval.

Drafts to the Agent the Imperial Bank, the Manager Bank of Mysore, the Registrar of Co-operative Societies drawing their attention to the Notification recently issued limiting the exemption already granted and applying certain Provisions to them also, are put up.

This file with, if approved be closed after issue orders and fresh applications for exemption received when they are received.

The question of exemption of Insurance Companies will also be considered later after receipt of the list of ~~Banks~~ Insurance Companies registered in Mysore is received from the Registrar of Insurances.

Ox
12/4/40

12/4

7057
/14

Law Secy.) Issue

The application of the Hindu Bank Karwar Ltd for exemption has also to be sent for.

Hm
13/4.

13/4

Issued Notification no P 6841 - Legis 37-35-9 dated 18th April 1940 to the Canada Mysore Gazette.

9

Issued do P 6890 d 19.4.40 to the Manager Bank of Mysore

Issued do P 6891 d 19.4.40 to M/s Gill & Co Agents Imperial Bk of India

Issued P 6892 d 19.4.40 to Registrar Co-op. Societies Mysore.

B

5581
5571/6

5364.

G.R.S. III—3]

Routine Notes:

[To be used only for notes, requisitions, etc., not intended for permanent record.]

From
The Central Bank of India
Bangalore City

No. L 4/433 dated 13. 2. 40
regarding exemption under the Moneylenders Act.

The main file has been submitted to the Law Secretary with reference to a similar request from the Indian Bank.

The present case will be worked up after receipt of that file.

Done
20. 2. 40

Please see me
3
21/2/40

Place it when the other
file comes. 3
21/2

From
The Indian Life Assurance Offices Association
Bombay

Letter dated 22. 2. 40
Suggesting that insurance Companies be exempted under Moneylenders Act

From
The Vysya Bank Bangalore
11/1206 dated 23. 2. 40
requesting for exemption under the Act

As this Case will, if approved, be worked up after receipt of the main file,

Done
26. 2. 40

Please
3
22/2

N.B.—Should routine notes be written on small slips, the notes must be copied, or slips pasted on this form.

Exemption of Banks registered under the Companies Act from the provisions of the Moneylenders Act.

Since such Banks ordinarily keep regular books of account and are controlled by the provisions of the Companies Act, they may be granted exemption from all the provisions of the Moneylenders Act, except ~~sections~~ 14 to 17. The case of each Bank must be considered on receipt of an application from it.

The question for consideration is whether joint-stock Banks should be exempted from the provisions of Sections 14 to 17. These four sections relate to restrictions regarding interest and go together. Section 14 fixes the maximum rate of interest which a Court can allow in a suit on a loan. Sec 17 fixes the maximum rate of Compound interest which can be recovered in a suit. Thus the Act does not declare that a contract stipulating a higher rate than the maximum is illegal, nor does it prohibit the recovery out of Court the stipulated interest however high

it may be. The maximum rates under the Act come into operation only when creditor seeks the help of a Court for recovering the loan.

In the majority of cases, debtors do honour their contracts by paying the stipulated interest and it will be to their interest to do so, as otherwise they will not be able to get further loans. But respectable Banks would consider it improper to charge a rate of interest which the Court would not countenance. This appears to be the reason why Banks are anxious to get exemption from the provisions.

If a suit is filed on a loan, two consequences arise. The first is that the Court will reduce the interest rate to one which is less than the maximum prescribed in Secs 14 & 15. The second is that the Court will reopen the entire transaction and take accounts of all interest that has been received out of Court and settle on the basis of the interest that the Court will award. Though higher interest has been received out of Court, the creditor will lose the benefit of it.

This is the consequence of Sec 16 read with Sec 3 of the Moneylenders Loans Act. Another consequence is that under Sec 17 the rule of "damdupat" will apply. The rule of damdupat applies even now in respect of Hindu debtors and by virtue of Sec 17, it will apply to all debtors, & Banks are not likely to be much concerned over this change.

The maximum rates of interest prescribed in Sec 14 are 9% for secured and 12% for unsecured loans. Since the rates charged by Banks & standing are less than these rates, their method of business will not be affected even if they do not get an exemption ~~under~~ from Sec 14. In respect of Sec 15, the position is different. If Compound interest is stipulated, a creditor cannot recover more than 6% with yearly rests. Banks have a system of making up accounts by adding the interest to the principal every quarter. Though in the document pertaining to a loan, the stipulation is for simple interest at a certain rate, on account of this custom of the Banks it practically works into Compound interest at the stipulated rate with quarterly rests.

This system of the Banks of adding the interest every quarter has the recognition of the Privy Council as being based on custom or on an implied promise or mercantile usage, and is not considered irregular. (44 Bom 474).

At first sight Sec 15 appears to mean that Compound interest at 6% higher than yearly rests will not be allowed by a Court. But the section is capable of the interpretation and this appears to be the correct interpretation that whatever the nature of the rests maybe, the total interest that maybe allowed to be recovered as calculated according to the stipulation should not exceed interest at 6% with annual rests. Consequently if the rate agreed on is less than 6%, the Bank would be able to recover at the stipulated rate for a few years with quarterly rests till the amount of interest becomes equal to interest calculated at 6% with yearly rests. But if the rate is more than 6%, the entire interest would be cut down by the Court to 6% with annual yearly rests & the account would be reopened even if the Bank has recovered interest out of Court.

In the case of the Imperial Bank, their normal rate is less than 6% & there would not be much trouble (except perhaps in a few cases where the rate is higher). But as regards the Nyson Bank etc, their interest is ordinarily over 6% and they would be seriously affected

There is another point of interpretation in connection with Sec 15 which is plausible. It applies to "loans made after the Commencement of this Act under a Contract which provides for the payment of Compound interest". As I have mentioned above, in the case of loans granted by Banks, the Contract is for payment of simple interest. By their system of accounts, they get Compound interest by custom or mercantile usage and not by the Contract. It may therefore be contended that since the Contract does not provide for Compound interest, these loans do not come within the restriction of Sec 15 and this is a most question of law. If such a contention should be upheld by the Courts, the Banks will not suffer and there will be no need for the Banks for exemption from Sec 15.

In connection with Debt Legislation & money lenders' legislation, the Reserve Bank of

India issued a circular to the Provincial Govts and pointed out how these restrictions will affect the dealings of joint stock Banks. They state "The Continuance of such restrictions may seriously handicap the development of Joint Banking in the Country and is of opinion that joint stock banks should generally be exempted from the provisions of legislation dealing with money lenders & usurious indebtedness"

In regards legislation regarding money lending, all the Provinces except ~~Bengal~~ Assam have excluded Banks from the operation of the legislation. In Madras, C.P & Punjab, Banks are excluded. Bengal has echoed them in their recent Moneylenders' Bill (which has practically become law) In Assam, Compound interest is prohibited & There is no exemption in favour of Banks. But the maximum rate allowed are 12½% in secured & 18¾% in unsecured loans. Further if interest is payable on certain dates, simple interest on interest is allowed in case of default. Much prejudice will not be felt on account of the high maxima allowed.

If Banks come under the scope of Sec 15, the result will be that they will recall loans every half year or one year in order to increase the rate of interest for itself by 1 or 2% over what they are charging now in order to make up for the disallowance of quarterly rests.

Though it is desirable not to interfere with the business & methods of the Banks, the point is that they cannot claim a privilege to charge a higher rate of interest than is allowed to ordinary moneylenders.

The Select Committee on the Moneylenders Bill in Ryotwari have made a recommendation that clauses 14 to 17 should be made applicable to all moneylenders as defined in the Bill, and no exceptional treatment should be given to Banks as regards these clauses.

The Act comes into operation from 1st April 1940. A notification has

issued exempting the Imperial Bank, Mysore Bank & Cooperative Societies from the operation of the Act. This notification may be modified by a further notification adding the words

except the provisions of Secs 16 & 17 thereof" at the end of the notification dated 3-2-40. In regard to the three Banks which have applied, a similar exemption may be granted if they are banks of repute & standing.

A notification may also be issued under Sec 21 attaching some of the general provisions of chapts III, IV & V to all loan transactions.

Under Section 15 of the Mysore Act, no moneylender can recover by suit compound interest at rates exceeding 6% per annum with yearly rests. Collecting interest beyond this rate can be resisted by a debtor by refusing to pay and the creditor cannot recover at/higher rate by going to court. Secondly it will be transgressing in spirit the intentions of the Act though there is no specific penalty provided for it in the Act.

The Madras Debtors' Protection Act, 1934 excludes advances by a Bank from the definition of "loan".

The C.P. Moneylenders Act, 1934 and the Punjab Regulation of Accounts Act, 1930 also exclude such advances from "loan"

The Assam Act of 1934 prohibits compound interest altogether and makes no exemption in the case of Banks.

The Bengal Act of 1933 prohibits compound interest over 10% and also states that an agreement to demand interest with rests at intervals of less than six months will lead to a presumption that it is excessive under the Usurious Loans Act. But the recent Moneylenders Bill which was passed by the two Chambers recently excludes Banking transactions from the Act.

GOVERNMENT OF HIS HIGHNESS THE MAHARAJA OF MYSORE.

General and Revenue Secretariat.

No. *Bangalore, dated* .....
21st August 1933.

FROM

The Secretary to the Government of
His Highness the Maharaja of Mysore.

To

The ..ty ..lector.

OF ALL THE Extracts

SIR,

I ..m directed to ..nvite ..ference to the ..bove noted ..ngle..ers ..t. Lood (..ct .. ... of 1933) which ..s p.. ..lished in the ..zette of the 27th July 1933.

..l ..ngle..ers ..ssued ..nder ..ct ..o. 6. of 1..3 ..ill ..ot ..e ..egistered ..nder ..ection 6. ..t in ..egard to ..icensing ..nder ..ection 7, Government are ..onsidering ..hat are the ..easons of ..ngle..ers to ..ave this ..ection ..mended ..ecause of the ..ct a ..here it is ..ecessary to ..nforced. The idea ..enerally is that such ..ases of ..ngle..ers who ..abitually ..ive ..xtortionate ..ent ..ought to ..egitimate ..usiness ..ould be ..ubject to ..icence.

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Draft)

..r ..ecretary to ..overnment
..eneral ..evenue ..epartment.

DRAFT.

To,

The Deputy Commissioners of Districts.

Sir,

I am directed to invite reference to ~~section 7 of~~ the Mysore Moneylenders Act,1939 (Act No.XIII of 1939) which was published in the Gazette of the 27th July 1939.

The classes of persons to which this section relating to licensing should be made applicable is at present under the consideration of Government. I am therefore to request you to kindly forward to Government early, a list of moneylenders or class or classes of moneylenders who should, in your opinion, be subjected to licence, those who are habitually extortionate and resort to objectionable methods being generally kept in view.

The favour of an early reply is requested.

I have etc.,

Secretary to Government,
Law Department.

All moneylenders would have to get registered under Sec 5. But in regard to licensing under Sec 7 what are the classes of money lenders to whom this section should be made applicable & the same should be enforced. Broadly speaking is that such classes of moneylenders who habitually are extortionate & resort to objectionable methods should be subjected to licence

I am to request you to kindly favour us with your opinion as to the moneylenders who should be brought under the provision of section 7 to be licensed - for indicating them without specifying either by particular Communities or class of persons

GOVERNMENT OF HIS HIGHNESS THE MAHARAJA OF MYSORE

General and Revenue Secretariat

No. Grabb. Please see below against the address

Dated, Bangalore, ~~18th August 1939.~~ 7/8/-

From

The Chief Secretary to the Government of His Highness
~~XXX~~
the Maharaja of Mysore.

To The Registrar of Co-operative Societies in Mysore, Bangalore — Law Department. P/1066
(The Registrar of Joint Stock Companies in Mysore, Bangalore) — P/1067

Sir,

I am directed to invite reference to Section 1(2) of the Mysore Moneylenders Act, 1939 (Act No.XIII of 1939) published in Part IV of the Mysore Gazette of the 27th July 1939. It is proposed to bring the Act into force with effect from 1st October 1939 and before doing so Government consider it necessary to determine the Co-operative societies in Mysore (the Banks registered in the State or others) which may be exempted from the provisions of Chapters II and III of the Act relating to registration and licensing and regulation of accounts. I am therefore to request you to kindly intimate to Government early whether you consider any Co-operative Societies (Land Mortgage Banks, Joint Stock Banks) may be exempted from those provisions and if so which of them deserves such exemption.

The favour of an early reply is requested.

I have the honor to be,

Sir,

Your most obedient servant,

For Secretary to Government
Law Department.

DRAFT.

1. The Registrar of Co-operative Societies in Mysore.

2. The Registrar of Joint Stock Companies in Mysore.

Sir,

I am directed to invite reference to Section 1 (2) of the Mysore Moneylenders Act, 1939 (Act No.XIII of 1939) published in Part IV of the Mysore Gazette of the 27th July 1939. It is proposed to bring the Act into force with effect from 1st October 1939 , and before doing so Government consider it necessary to determine the Co-operative Institutions lending money (Banks Registered in the State or outside) be exempted from the provisions of Chapters II and III of the Act relating to registration and licensing and ~~Registration~~ registration of accounts. I am therefore to request you to kindly intimate to Government early whether you consider any co-operative society lending money (or Joint Stock Bank) may be exempted from those provisions and if so which of them deserves such exemption.

The favour of an early reply is requested.

I have etc.,

Secretary to Government
Law Department.

D.O. No. P 1123

22nd August 1939.
23rd

Dear Sir,

I am desired to enquire whether the Punjab Registration of Moneylenders Bill which was published at Page 146 of Part V of the Punjab Government Gazette of the 15th July 1938 has been passed into law and if so to request you to be so good as to kindly send a copy of the Act as finally passed together with a set of Rules, if any, framed thereunder.

Yours sincerely,

The Secretary to Government,
Legislative Department,
Government of Punjab, LAHORE.

No. C. 502/38-40.

1337/P

GOVT. SECRETARIAT Encl. DEPT. 30 AUG. 1939 GOVT. OF MYSORE

OFFICE OF THE REGISTRAR OF JOINT STOCK COMPANIES IN MYSORE,

Bangalore, dated.....28th....August.....1939.

GOVT. SECRETARIAT 30 AUG. 1939

FROM

H.V. Ramasvami, Esquire, M.A., B.L.,
Registrar of Joint Stock Companies in Mysore,
BANGALORE.

To

C. Subrahmanya Aiyar, Esquire, B.A., B.L.,
Secretary to the Government
of His Highness the Maharaja of Mysore,
Law ~~Department~~ *Department,*
BANGALORE.

SIR,

With reference to your letter No.P.1067, dated the 21st August 1939 regarding the exemption of the Banks registered in the State or outside from the Chapter II and III of the Mysore Money Lenders Act of 1939, I have the honor to state that all Banking Companies which satisfy the requirements of the Sections 277 F to 277 N, of the Mysore Companies Act, or branches of foreign Companies which fulfil similar provisions of the Indian Companie Act may be granted exemptions.

Local Banks.
1. Bank of Mysore, Limited.
2. Devanga Bank, Limited.
3. Manickavelu Banking Corporation, Ltd.
4. Vaisya Bank, Limited.
Foreign Banks.
5. The Catholic Bank, Limited.
6. Hindu Bank Karur, Limited.
7. Jayalakshmi Bank, Limited.
8. Canara Industrial & Banking Corporation, Limited.
9. Central Bank of India, Limited.
10. Indian Bank, Limited.
11. Canara Bank, Limited.

The *marginally noted Banks which satisfy the above conditions may be exempted from the said provisions of the Mysore Money Lenders Act.

I have the honor to be,

S i r,

Your most obedient servant,

H.V. Ramasvami

REGISTRAR.

GG.

28/8

16881P

GOVERNMENT OF MYSORE

No. 2893 C. S.

DEPARTMENT OF CO-OPERATION

OFFICE OF THE REGISTRAR OF CO-OPERATIVE SOCIETIES IN MYSORE.

Telegraphic Address: "CO-OPERT" Bangalore.

11 SEP. 1939

Dated Bangalore, 8th September 1939.

FROM

M. ABDUL HUKH, ESQ., B.A.,
Registrar of Co-operative Societies in Mysore,
BANGALORE.

To

C. Subrahmanya Iyer, Esq., B.A., B.L.,
Secretary to Government,
Law Department, Bangalore.

Sir,

With reference to your letter No: P.1066 dated 21st August 1939 in the matter of exempting Co-operative Societies from the provisions contained in Chapters II and III of the Mysore Money Lenders' Act, 1939, (Act No: XIII of 1939), I have the honour to state that the majority of the Co-operative Institutions in the Mysore State are institutions for lending money to their members and some of them transact business in the sale of articles of domestic consumption and clothing, selling such articles both for cash and on credit. The societies are under Rule 10 of the Mysore Co-operative Societies' Rules bound to maintain certain books of account and the forms for these books of account are prescribed by the Registrar. I shall also examine how far these accounts and forms require modification if any in the light of the provisions contained in Chapter III of the Money Lenders' Act and take necessary further action. I am therefore of opinion that all Co-operative Societies registered under the Mysore Co-operative Societies' Act, 1918 (Act No: VII of 1918) may be exempted from the provisions of the Mysore Money Lenders' Act in respect of registration and licensing and regulation of accounts and the Registrar of Co-operative Societies may be treated as the Registrar of Money Lenders so far as the Co-operative Societies registered under the Mysore Co-operative Societies' Act are concerned.

I have the honour to be,
Sir,
Your most obedient servant,

Registrar.

2158/P

D. C. 3]

In reply please refer to—
No. J.1.89-104/39-40

OFFICE OF THE DISTRICT MAGISTRATE,
KADUR DISTRICT.

Chikmagalur, dated 26th September 1939.

FROM

E.V. Ganapati Iyer, Esquire, B.Sc.,
District Magistrate,
Kadur District.

To

C. Subrahmanya Aiyar, Esquire, B.A.,B.L.,
Secretary to the Government of His Highness
the Maharaja of Mysore,
LAW *Department,*
BANGALORE.

SIR,

With reference to your letter No.1032-40 dated 21st August 1939 calling for my opinion regarding the application of certain provisions of Money Lenders Act 1939, I have the honour to furnish the same hereunder :-

As regards the class of Money Lenders in whose case, Registration and Licensing should be made compulsory, it is seen, so far as conditions exist in this District that the money lending classes of persons including persons coming from outside, like the Marwaris, Kuthanis or the Pathans etc., are operating mainly in all the Head Quarter towns of all the Taluks, having some shops or other places of business therein, either by themselves or through their agents. Generally, their methods and terms of money lending business are onerous and objectionable. Even in the Head Quarter towns of the District are to be found money lenders and business men having mandies and godowns for obtaining the produce of the borrowers resorting to objectionable practices and methods. It therefore seems desirable to license all these money lenders in the first instance.

In view of the above circumstances, it is suggested that all money lenders, regardless of their community or place of origin, who either by themselves or through their agents carry on money lending business, having a principal or subsidiary place of business located in the head quarters of towns or minor Municipalities in the District

District should be asked to take out a license for the present.

I have the honour to be,

Sir,

Your most obedient servant,

For District Magistrate,

Kadur District.

mns.

GOVT. LAW DEPT. RECD 4 OCT 1939

2330/P

In all future correspondence please quote this No. L.C.169/39-40. Encls.

OFFICE OF THE DISTRICT MAGISTRATE,
KOLAR DISTRICT.

Dated Kolar, the.....3rd..October.....*1939*.

FROM

G. Sundara Rao, Esq., B.A.,
District Magistrate,
Kolar District.

To

C. Subrahmanya Aiyar, Esq., B.A., B.L.,

SECRETARY TO GOVERNMENT OF MYSORE,
Law *Department,*
Bangalore.

SIR,

Adverting to your letter No: P. 1032-40 dated 21st August 1939 calling for my opinion as to the classes of money lenders who could be brought under the provisions of licensing under the Mysore Money Lenders' Act of 1939 together with a suitable nomenclature for indicating them,

1. Marwadies and Multanies. 2. Vysyas or Komaties. 3. Pathans. 4. Kasinabaddi Labbes. 5. Rawthers and 6. Others whose sole occupation is to lend money on interest.	I have the honour to state that the main occupation of the marginally noted - classes of persons is to lend money on interest. Marwadies and Vysyas generally lend large and small sums of money while the Pathans, Kasinabaddi Labbes and Rawthers lend money on a small scale. All of them are habitually extortionate and resort to objectionable - methods. Marwadies, Multanies and Vysyas may be brought under the nomenclature of "Sahukars" or "Mahajins" and licensed under Section 7 of the Mysore Money Lenders' Act. Pathans, Kasinabaddi Labbes and Rowthers may be licensed under the nomenclature of "Soodkars" (living on interest) or "Petty Money lenders".

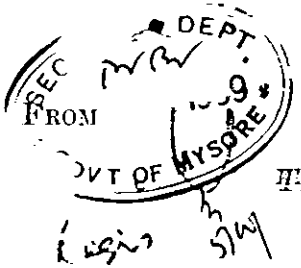
I have the honour to be,
S i r,
Your most obedient servant,

3.10.39
For Deputy Commissioner,
Kolar District.
(Absent from Station).

MVK.

OFFICE OF THE DEPUTY COMMISSIONER,
HASSAN DISTRICT.

No. L.Dis.C.186/39. *Dated Hassan, the* 3rd October *1939.*



FROM T. Ramaiya, Esq., B.A., (Hons)
The Deputy Commissioner,
Hassan District.

To

C. Subrahmanya Aiyar, Esq., B.A.,B.L.,
Secretary to Government, Law Department,
B a n g a l o r e.

SIR,

Adverting to your letter no.P 1032-40 dated 21st August 39 calling for my opinion as to who are the money lenders who should be brought under the provision of licensing etc., I have the honor to state that the marginally noted class of persons may be brought under the said provisions.

1. Those who levy interest at more than 12% per annum.	As regards the other point i.e. re: the area where licensing should be enforced, the enforcement may, in the first instance be in the City and town areas, while it may be extended to other places with advantage after some time.
2. Pawn-brokers.	
3. Those that lend on monthly and daily interest.	

I have the honor to be,
Sir,
Your most obedient servant,

L. Ramaiya
3.10.39
for Deputy Commissioner,
Hassan District.
absent from H.Q.

as.

NO. A3.L.C.1564/39-40.

Office of the Deputy Commissioner,
Chitaldrug District,
Dated, Chitaldrug 9th October 1939.

From

Mahomed Ismail Sheriff, Esq., B.A.,
Deputy Commissioner, Chitaldrug District,
Chitaldrug.

To

C. Subrahmanya Aiyar, Esq., B.A., B.L.,
Secretary to Government of Mysore,
Law Department, Bangalore.

Sir,

Subject: Licensing Money Lenders.

With refere ce t· your letter NO.P.1032-40 dated 21st August 1939 calling for my opinion as to who are the money-lenders who could be brought under the provisions of licensing under the Money Lenders Act, I have the honor t· state that under the Act, the courts have been empowered t pass decrees allowing not more than 9% in the case of secured loans and 12% in the case of unsecured loans, as interest on the loans.

But there are instances where usurious rates of interest are charge] by certain money lenders and the adopt curious devices of taking bonds for more sums and mentioning lower rates of interests and other method and the poor debtor has to be a victim of all these methods to satisfy his requirements..

I would suggest that all classes of money lenders who carry on money lending transactions as business and not merely as an investment for the benefit of members of family whether on secured and unsecured loans, may be required to take out licenses under the Act, as it may be otherwise difficult to detect and penalise them.

Suitable exemptions can be granted on merits of

(next page please

individual cases where investment is made not as a business but with a view to provide competence for widows or their children out of proceeds of Provident Fund or on the maturing of Life Insurance Polices of the people who generally do not earn on money lending business as a profession.

I have the honor to be,
Sir,
Your most obedient servant,

DEPUTY COMMISSIONER
CHITALDRUG DISTRICT.

vr.

4342/39

No. F. J.1.C. 140/39-40

OFFICE OF THE DEPUTY COMMISSIONER,
& District Magistrate,
SHIMOGA DISTRICT.

Dated Shimoga, the 3rd January *19* 40.

FROM

M. SESHADRI, Esq., M.A., & District Magistrate,
Deputy Commissioner/ Shimoga District.

To

C. Subrahmanya Aiyar, Esq., B.A., B.L.,
Secretary to the Government of His Highness the Maharaja of Mysore,
LAW *Department, BANGALORE.*

Subject: — The Mysore Money Lenders Act 1939 - Licensing.

****

SIR,

With reference to your letter No. P. 1032-40 dated the 21st August 1939 on the above subject, I have the honour to state that the following classes of money lenders are ascertained to be generally extortionate and resorting to objectionable methods

(1) The Pathans.
(2) Labbes
(3) Marvaris and Multanies.

I feel that it is necessary that these classes of money lenders should be brought under the provisions of Licensing under Section 7 of the Myscre Money Lenders Act. These persons generally lend short term loans on personal security of the borrower or on pledge of precious articles. They generally get documents executed for higher sums than actually lent, charging exhorbitant rates of interest and deducting in advance a good portion of the interest from the sum lent. These classes of money lenders have their business both in rural and urban parts. The suitable nomenclature for indicating them will be "Pawn Brokers" and "Short term creditors."

I have the honour to be,
Sir,
Your most obedient servant,

District Magistrate.

In exercise of the powers conferred by secon 24 of the Mysore Moneylenders Act, 1939, the Government of His Highness the Maharaja are pleased to make the following Rules for carrying out the - - purposes of the said Act:-

THE MYSORE MONEYLENDERS RULES, 19.

I. Preliminary.

1. (1) These Rules may be called the Mysore Moneylenders Rules 1940.

(2) They shall come into force on and from 1st/1st day, April 1940

2. In these Rules, unless there is anything repugnant in the subject or context.-

(a) "The Act" means the Mysore Moneylenders Act, 1939;

(b) "the schedule" means the schedule annexed to the Rules;

C.P. moneylenders Registration Rules 3(c) (c) "authorised agent" means an agent acting under a power of attorney; and

terms defined in the Act shall convey the same meaning when used in the Rules.

II. Registration.

Mysore Partnership Rules 5 3. The Register of Moneylenders prescribed by section 4 of the Act shall be maintained in Form I of the Schedule. The name and particulars of each moneylender shall be entered therein in the order of registration on separate pages. He shall be assigned a number in a consecutive series commencing and ending with the calendar year, the same number being given to the Registration certificate also.

Mysore Partnership Rules 9 4.(a) An index to the Register of Moneylenders shall be prepared in English in duplicate on loose sheets lettered alphabetically and shall contain the particulars shown in Form II of the Schedule.

A fresh index shall be prepared for each calendar year. The name of each Moneylender shall be indexed as soon as the entries relating thereto are made in the Register of Moneylenders.

(b) The duplicate copy of the index shall be sent to the District Magistrate of the District within which the Registrar exercises jurisdiction as soon as an entry is made therein.

(c) After all the moneylenders registered in a year have been indexed, the index shall be checked by the Registrar who shall add a certificate in token of such check and the pages

shall then be numbered in ink.

(d) The index for each year shall, after it has been checked be bound into Volumes of convenient size.

(e) The District Magistrate shall at the end of each Calendar year make from the duplicates of the several indexes received by him, a list of ~~the names of~~ all moneylenders registered in his district in alphabetical order and send a copy of the list to Government not later than the end of January of the succeeding year.

5. Every application for registration under section 5 of the Act shall be made in Form III of the schedule, to the Registrar appointed for the area in which the principal place of the moneylender is situated or in which he intends to carry on the business of moneylending.

6. Every such application for registration shall be made on Mysore Stamp Paper of the value of Rs.3/- and shall be signed and verified in the manner provided in the Code of Civil Procedure, 1911, for the signature and verification of pleadings.

7. Every such application shall be accompanied by an affidavit stating whether any court has made any order in relation to the applicant under Section 19 or Section 20 of the Act.

8. Every application for ~~registration~~ registration shall be ~~prescribed~~ presented by the applicant in person or by his authorised agent; Provided that when there are more applicants than one any one of them may present it.

The application shall be ~~presented~~ presented at any time during working hours on any working day.

9. If the Registrar, after such enquiry as he deems fit about the place of business of the moneylender, considers that he is not the proper authority to receive the application, he shall return the same for presentation to the proper authority.

10. On the receipt of an application, the Registrar shall endorse on it the date of its presentation and shall duly punch and cancel the stamp and put his initials and date across it. If he finds after making such enquiries as he deems fit, that the Registration of the moneylender will not offend against any order made under Section 19 or 20 of the Act, he shall enter the name of the moneylender in the Register prescribed by Rule 3

12. The procedure set out above for registration of a Moneylender shall be followed in the case of an application for renewal of registration also:

Provided that rule 7 shall be deemed to be satisfied if the affidavit contains information in regard to the period that has elapsed since the making of the last application.

Provided further that the Registration certificate already issued to him shall be surrendered and accompany the application for renewal.

13. When a moneylender whose name is registered under the provisions of section 4 of the Act, ceases to carry on the business of moneylending he may apply to the Registrar who issued the Registration certificate to cancel the registration and shall surrender his registration certificate also.

14. On receipt of such application, the Registrar shall cancel the certificate by endorsing on it in red ink the words "cancelled" under his signature and with the date of so doing and shall lodge the cancelled certificate in the records. The Registrar shall next make an entry in the Register of moneylenders indicating the fact of cancellation and the date thereof.

III Licensing.

15. No application for the grant of license shall be made unless the applicant has been registered as a Moneylender under section 5 of the Act.

16. Applications for the issue of a license shall be made in Form V of the Schedule to the Registrar who issued the Registration certificate.

17. The provisions of Rule 6 regarding signature and verification shall be applicable to applications for grant of a licence also.

18. The fee for the grant of a licence shall be Rupees

of the Rules.

11. On registration of the applicant's name under the preceding rule, the Registrar shall issue a certificate in Form IV of the schedule to the moneylender or his authorised agent.

12. The procedure set out above for registration of a Moneylender shall be followed in the case of an application for renewal of registration also:

Provided that rule 7 shall be deemed to be satisfied if the affidavit contains information in regard to the period that has elapsed since the making of the last application.

Provided further that the Registration certificate already issued to him shall be surrendered and accompany the application for renewal.

13. When a moneylender whose name is registered under the provisions of section 4 of the Act, ceases to carry on the business of moneylending he may apply to the Registrar who issued the Registration certificate to cancel the registration and shall surrender his registration certificate also.

14. On receipt of such application, the Registrar shall cancel the certificate by endorsing on it in red ink the words "cancelled" under his signature and with the date of so doing and shall lodge the cancelled certificate in the records. The Registrar shall next make an entry in the Register of moneylenders indicating the fact of cancellation and the date thereof.

III Licensing

15. No application for the grant of license shall be made unless the applicant has been registered as a Moneylender under section 5 of the Act.

16. Applications for the issue of a licensee shall be made in Form V of the Schedule to the Registrar who issued the Registration certificate.

17. The provisions of Rule 6 regarding signature and verification shall be applicable to applications for grant of a licence also.

18. The fee for the grant of a licence shall be Rupees

Rupees five only and shall be paid into the State Huzur Treasury or any District or Taluk Treasury the receipt ~~though~~ therefor being sent with the application or by the purchase of Mysore ~~xxxxxxxxx~~ Court Fee stamps of the value of Rs.5/- which shall be affixed to the application.

19. Every such application shall be accompanied by an affidavit stating whether any Court has made any order in ~~xxxx~~ relation to the applicant under section 19 or 20 of the Act.

20. After verifying whether the applicant has a subsisting registration certificate and after making such enquiries as he deems fit, if the Registrar is satisfied that there are no grounds for refusing the grant of a licence, he shall issue a licence in Form V/ of the schedule and shall also immediately make an entry in the Register against the name of the money lender showing the grant of the license and the date of ~~xxx~~ issue of the same.

21. Every licence shall be current for one year from the date of its issue and shall be valid only within the Revenue District within which the place of business of the Moneylender is situate.

22. The Registrar may however, after making such enquiries as he may deem fit of other Registrars in other Districts extend the validity of the licence to any other District or Districts, if the applicant so desires, on payment of a licence fee of Rs.2/- a year for every such District to which he wants the licence to be extended, subject to a maximum of Rs.15/- a year (including the initial fee of Rs.5/-) for the whole State, the payment being made in the manner prescribed in rule 18:

Provided that in no case shall a licence be extended beyond ~~three~~ one year from the date of its original issue.

23. The procedure set out above for the issue of a licence shall be followed in the case of an application for renewal:

Provided that rule 19 shall be deemed to be satisfied if the affidavit contains information in regard to the period that has elapsed since the making of the last application.

24. Each licence shall be given a number corresponding to the number of the Registration Certificate on which the licence is issued, and the date of expiry of the licence and the district or Districts in which it is valid shall also be entered boldly on the face of the licence in the places assigned to them.

25. When a Court cancels the registration or licence of a moneylender under section 19 or 20 of the Act but not permanently, it shall be competent to the Moneylender to make a fresh application for registration or for the issue of a licence, as the case may be, in conformity with the rules set out above in that behalf, after the expiry of the period for which the registration or licence would have been valid if it had not been cancelled;

PROVided that the Moneylender produces with his applicati a certified copy of the order of the court cancelling his registration or licence.

IV - REGULATION OF ACCOUNTS.

26. Every moneylender shall keep his accounts in Form V// of the schedule, in bound books, the pages being stitched and bound together and not being detachable. The pages should also be consecutively numbered.

27. Every moneylender shall keep a separate account in respect of each loan.

28. The name and address of the debtor and in the case of joint-debtors, of each joint-debtor shall be entered at the head of the account.

29. Each entry in an account shall be dated with the date of the transaction to which it relates and shall, as far as possible, be made on such date, but never later than the next working day.

30. The account shall show the balance of account of the principal and the interest outstanding against the debtor on 31st day of December of every year and shall also show the balance outstanding on the date of any statement of account

prepared in accordance with sub-section (1) of section 11 of the Act.

31. Accounts may be kept by a moneylender in the language usually employed by him in keeping his accounts, the script and numerals being the same as those ordinarily used with the particular language employed:

Provided that where the language employed is other than English or Kanada, the receipt to be given to the debtor as well as the statement of accounts to be furnished to him under section 10 or section 11, as the case may be, of the Act shall be only in English or Kannada;

Provided further that where English or Kanada translations of the original statement of account are furnished to the debtor, the moneylender shall affix at the end of such -- translation a certificate to the effect that it is a true copy and a true translation of the original. If a third person is responsible for the translation, the certificate should be signed by him also.

32. The fee which may be charged by a creditor for a statement of account is annas four. The fee shall be charged separately in respect of each loan and each requisition.

The fee shall be entered in the account and shall be recoverable by the creditor as if it were included in the loan but no interest shall be charged thereon.

33. Where there are two or more joint-debtors, the creditor shall, in the absence of an agreement to the contrary, give the receipt to the ~~judgment~~ joint debtor named first at the head of the account or to his agent.

34. The statement of account shall be sent to the debtor by registered post, acknowledgement due, to the address given in the requisition made by the debtor.

In the case of joint-debtors, the statement of account shall, in the absence of an agreement to the contrary, be sent in the manner laid down above to the joint-debtor named first at the head of the account.

madras Rule 5(2)

35. Notwithstanding anything contained in rule 34, if the debtor or in the case of joint-debtors the joint-debtor named first at the head of the account agrees in writing to the statement being delivered personally, it shall not be necessary to send it by registered post.

Rules 5(3)

36. Where a debtor or joint debtor takes personal delivery of the statement of account, he shall acknowledge receipt of the same in writing.

The debtor or the joint-debtor, as the case may be, shall sign the acknowledgment, or if he is illiterate affix his thumb impression thereto.

madras Rule 5 (5)

37. The postal registration and acknowledgment charges incurred under rule 34 shall be entered in the account and shall be recoverable by the creditor as if such charges were included in the loan, but no interest shall be charged thereon.

madras Rule 5(4)

38. If the statement of account is sent ~~xxxxxx~~ by -- registered post, the production of the postal receipt and acknowledgment shall be sufficient proof of the sending of such statement.

madras Rule 8.

39. The sum which may be charged by a pawn-broker for a copy of the entries in his account delivered by him to the pawner under sub-section (2) of secti n 12 shall be one anna.

V. APPLICATION TO GOVERNMENT AND FEE THEREFOR.

40. An application to the Government by moneylender under section 21 of the Act to remove a disqualification imposed on him by a court under section 19 or section 20 shall be in Form VIII of the schedule.

41. A fee of Rs.2/- shall be paid on every such application by affixing court fee stamps of that value to the application. ~~xxxxxxxxxxxxxxxxxxxxxxxxx~~

42. A copy of the order of court imposing the disqualification shall invariably accompany the application.

GOVERNMENT OF HIS HIGHNESS THE MAHARAJA OF MYSORE.

General and Revenue Secretariat.

No.I 5265-Leg-37-39-1 Dated Bangalore the 3rd February 1940.

NOTIFICATION.

In exercise of the powers conferred by section 24 of the Mysore Moneylenders Act,1939, the Government of His Highness the Maharaja of Mysore are pleased to make the following Rules for carrying out the purposes of the said Act.

By Order

Secretary to Government
Law Department.

The Compiler Mysore Gazette For publication.

THE MYSORE MONEYLENDERS RULES,1940.

I.Preliminary.

1 (1) These Rules may be called the Mysore Moneylenders Rules,1940.

(2) They shall come into force on and from the 1st day of April 1940.

2. In these Rules, unless there is anything repugnant in the subject or context,-

(a) "the Act" means the Mysore Moneylenders Act,1939;

(b) "the Schedule" means the Schedule annexed to these Rules;

(c) "authorised agent" means an agent acting under a power of attorney; and

terms defined in the Act shall convey the same meaning when used in these Rules.

II Registration.

3. The Register of moneylenders prescribed by section 4 of the Act shall be maintained in Form I of the Schedule. The name and particulars of each moneylender shall be entered therein in the order of registration on separate pages. He shall be assigned a number in a consecutive series commencing and ending with the calendar year, the same number being given to his Registration Certificate also.

4.(a) An index to the Register of moneylenders shall be prepared in English in duplicate on loose sheets lettered alphabetically and shall

9. If the Registrar, after such enquiry as he deems fit about the place of business of the moneylender, considers that he is not the proper authority to receive the application, he shall return the same for presentation to the proper authority.

10. On the receipt of an application, the Registrar shall endorse on it the date of its presentation and shall duly punch and cancel the Stamp and put his initials and the date across it. If he finds after making such enquiries as he deems fit, that the registration of the moneylender will not offend against any order made under section 19 or section 20 of the Act, he shall enter the name of the moneylender in the Register prescribed by rule 3 of the Rules.

11. On registration of the applicant's name under the preceding rule, the Registrar shall issue a certificate in Form IV of the Schedule to the moneylender or his authorised agent.

12. The procedure set out above for registration of a moneylender shall be followed in the case of an application for renewal of registration also:

Provided that rule 7 shall be deemed to be satisfied if the affidavit contains information in regard to the period that has elapsed since the making of the last application;

Provided further that the Registration Certificate already issued to him shall be surrendered and accompany the application for renewal.

13. When a moneylender whose name is registered under the provisions of section 4 of the Act ceases to carry on the business of moneylending, he may apply to the Registrar who issued the Registration Certificate to cancel his registration and shall surrender the Certificate.

14. On receipt of such application, the Registrar shall cancel the Certificate by endorsing on it in red ink the words "CANCELLED" under his signature and with the date of so doing and shall lodge the cancelled Certificate in the records. The Registrar shall next make an entry in the Register of moneylenders indicating the fact of cancellation and the date thereof.

of the Schedule, in bound books, the pages being stitched and bound together and not being detachable. The pages should also consecutively numbered.

27. Every moneylender shall keep a separate account in ~~xxxxx~~ respect of each loan.

28. The name and address of the debtor and in the case of joint-debtors, of each joint-debtor shall be entered at the head of the account.

29. Each entry in an account shall be dated with the date of the transaction to which it relates and shall, as far as possible, be made on such date, but never later than the next working day.

30. The account shall show the balance of account of the principal and interest outstanding against the debtor on the 31st day of December of every year and shall also show the balance outstanding on the date of any statement of account prepared in accordance with sub-section (1) of section 11 of the Act.

31. Accounts may be kept by a moneylender in the language usually employed by him in keeping his accounts, the script and numerals being the same as those ordinarily used with the particular language employed:

Provided that where the language employed is other than English or Kannada, the receipt to be given to the debtor as well as the statement of account to be furnished to him under section 10 or section 11, as the case may be, of the Act shall be only in English or Kannada:

Provided furtner that where ~~the~~ an English or Kannada translations of the original statement of account ~~are~~ is furnished to the debtor or where a receipt is given to him, the moneylender shall affix at the end of such translation a certificate to the effect that it is a true copy and a true translation of the orginal. If a third person is responsible for the translation, the certificate should be signed by him also.

32. Where there are two or more joint-debtors, the creditor shall, in the absence of an agreement to the contrary, give the receipt to the ~~judgment~~ joint debtor named first at the head of the account or to his agent.

2365-39

OFFICE OF THE DEPUTY COMMISSIONER,
MANDYA DISTRICT,

No. L. Dis. 2257/39-40
Enc.

Mandya, dated, 21st Novr. 1939

FROM

B. S. RAGHAVENDRA RAO, Esq., M. A. (HONS.),
DEPUTY COMMISSIONER, MANDYA DISTRICT,
MANDYA.

SECY. TO GOVT. LAW DEPT. 23 NOV 1939 GOVT OF MYSORE

SECRETARIAT Legs 23 NOV 1939

To

C. SUBRAHMANYA AIYAR, Esq., B.A., B.L.,
SECRETARY TO THE GOVERNMENT OF MYSORE,
Law DEPARTMENT,
BANGALORE.

SIR,

Subject:-Opinion re: the applicability of Money Lenders Act.

--:o0o:--

With reference to your letter No.P.1032/40 dated the 21st August 1939, on the subject noted above, I have the honour to state that all persons whose annual interest demand on moneys lent out exceed Rs.300/- in villages and Rs.500/- in towns may be treated as money lenders for purposes of the Act. They may be called "Sahukars or Bankers. Persons who are professional Pawn brokers may be called Pawnbroker or "

I have the honour to be,
Sir,
Your most obedient servant,

for DEPUTY COMMISSIONER,
MANDYA DISTRICT.
(Absent on tour)

cvs.

3542 2-39

In all future communications please quote
No. L.Bl-1061/39-40.
Enc.

Tel. Address -"DEPCOM"
Post Box No. 34

OFFICE OF THE DEPUTY COMMISSIONER,
BANGALORE DISTRICT.

Dated Bangalore, the 29th November *1939*

SECY. TO GOVT. LAW DEPT. 27 NOV 1939 BANGALORE

30 NOV. 1939 BANGALORE DISTRICT

FROM

Abdul Aziz Khan, Esq., B.A.,
Deputy Commissioner,
Bangalore District.

To

G. Subrahmanya Aiyar, Esq., B.A., B.L.,
Secretary to Government,
Law Department,
Bangalore.

SIR,

Subject:-

Adverting to your letter No.P. 1032-40 dated 21st August 1939 calling for my opinion re. the class of Money Lenders to whom Sec. 7 of the Money Lenders Act of 1939 should be made applicable etc., I have the honour to state as follows:-

2. Sec. 7 of the Act as it stands at present makes it obligatory on the part of every Money Lender who is registered as such under Sec. 5, to take out a license from the Registrar in the prescribed form. In fact, the Act does not make any difference between a small and a large Money Lender, nor is a distinction made between a local or a foreign one. While it must be conceded, that the Public have suffered considerably at the hands of Marwaris, Multanies and Pathan Money Lenders, it cannot be denied that protection is needed against every extortionate demand from whatever source it arises.

3. I think these Money Lenders are always extending the area of their operations and even villages are not free from their pernicious methods. It appears sufficient if a beginning is made by requiring all the persons whose main occupation is money lending (which wil include Marvaris, Multanies and Pattans) and who carry on business in all District Headquarter towns and in industria areas like the K.G.F., Bhadravathi etc., to take out licenses

under Sec. 7 of the Money Lenders Act.

I have the honour to be,
S i r,
Your most obedient servant,

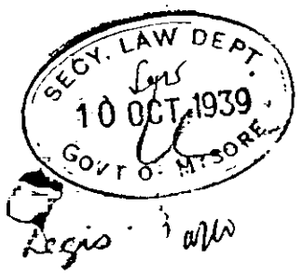
for Deputy Commissioner,
Bangalore District.

&vm/-

2479/P

No. A3.L.C.1564/39-40.

Office of the Deputy Commissioner,
Chitaldrug District,
Dated, Chitaldrug 9th October 1939.



From

Mahomed Ismail Sheriff, Esq., B.A.,
Deputy Commissioner, Chitaldrug District,
Chitaldrug.

To

C. Subrahmanya Aiyar, Esq., B.A., B.L.,
Secretary to Government of Mysore,
Law Department, Bangalore.

Sir,

Subject: Licensing Money Lenders.

With reference to your letter NO.P.1032-4Q dated 21st August 1939 calling for my opinion as to who are the money-lenders who could be brought under the provisions of licensing under the Money Lenders Act, I have the honor to state that under the Act, the courts have been empowered to pass decrees allowing not more than 9% in the case of secured loans and 12% in the case of unsecured loans, as interest on the loans.

But there are instances where usurious rates of interest are charged by certain money lenders and they adopt curious devices of taking bonds for more sums and mentioning lower rates of interests and other method and the poor debtor has to be a victim of all these methods to satisfy his requirements..

I would suggest that all classes of money lenders who carry on money lending transactions as business and not merely as an investment for the benefit of members of family whether on secured and unsecured loans, may be required to take out licenses under the Act, as it may be otherwise difficult to detect and penalise them.

Suitable exemptions can be granted on merits of

(next page please

individual cases where investment is made not as a business but with a view to provide competence for widows or their children out of proceeds of Provident Fund or on the maturing of Life Insurance Polices of the people who generally do not earn on money lending business as a profession.

I have the honor to be,
Sir,
Your most obedient servant,

DEPUTY COMMISSIONER
CHITALDRUG DISTRICT.

vr.

GOVERNMENT OF HIS HIGHNESS THE MAHARAJA OF MYSORE

General and Revenue Secretariat

No. P 3960-3

Bangalore, Dated, 7th December 1939.

From

The Secretary to the Government of His Highness the Maharaja of Mysore,
Law Department.

To

The District Magistrate,
(1) Mysore,
(2) Tumkur,
(3) Shimoga.
(4) Chitaldrug.

Sir,

Subject:- Regarding the applicability of section 7 of the Money Lenders Act.

I am directed to invite reference to this office letter No.L.1032-40 dated 21st August 1939 on the above subject, and to request you to kindly favour Government with your opinion in the matter at an early date.

I have the honour to be,

Sir,

Your most obedient servant,

For Secretary to Government,
Law Department.

HKR/5.

Appendix F G—1]

SUBJECT.....

.....

.....

Diary No. of letter replied to.....

General and Revenue Secretariat

( )

the *193*

Date of issue 8/12/39

Signed by Mys. P.S.P

List of enclosures.....

Copied by.....

Examined by.....

Section

File No.

Serial No.

No. P3960-3

To

The District Magistrate

1) Mysore,
2) Tumkur
3) Shimoga
4) Chitaldrug

Subject:- Regarding the applicability of Section 7 of the Money Lenders Act.

Sir,

I am directed to invite reference to this office letter No P1032-40 dated 21-8-1939 on the above subject and to request you to kindly favour Government with your opinion at your earliest convenience in the matter at an early date

I have etc

Ks 7/12/39

For Secretary to Govt
Law Dept

WD 0563—GPB—30,000—6-1-39

3965 P 39

Tel. Address :—Depcom.
CHITALDRUG :

In reply, please refer to
No. A3.L.C.1564/39-40
Enclosures : One

OFFICE OF THE DEPUTY COMMISSIONER,
CHITALDRUG DISTRICT,

Dated Chitaldrug, 14th December *19* 39

SECY. LAW C.S. 16 DEC. 1939 GOVT OF MYSORE

FROM

MAHOMED ISMAIL SHERIFF, ESQ., B.A.,
Deputy Commissioner,
Chitaldrug District,
CHITALDRUG.

To

C. Subrahmanya Aiyar, Esq., B.A., B.L.,
Secretary to Government of Mysore,
Law *Department,*
BANGALORE.

SIR,

SUBJECT :— Re : the applicability of Section 7 of the Money Lender's Act.

With reference to your reminder letter No.P.3960-3 dated 8th December 1939 requesting my opinion on the above subject, I have the honour to state that a reply was sent to you in the matter with this office No.A3.L.C.1564/39-40 dated 9th October 1939.

A copy of the same is herewith enclosed for favour of ready reference.

I have the honour to be,
Sir,
Your most obedient servant,

DEPUTY COMMISSIONER
CHITALDRUG DIST.

MN

33. The statement of account to be furnished to a debtor under sub-section (1) of section 11 of the Act shall be in Form VIII of the Schedule.

34. The fee which may be charged by a creditor for a statement of account shall be annas four. The fee shall be charged separately in respect of each loan and each requisition.

The fee shall be entered in the account and shall be recoverable by the creditor as if it were included in the loan but no interest shall be charged thereon.

35. The statement of account shall be sent to the debtor by registered post, acknowledgment due, to the address given in the requisition made by the debtor.

In the case of joint-debtors, the statement of account shall, in the absence of an agreement to the contrary, be sent in the manner laid down above to the joint debtor named first at the head of the account.

36. Notwithstanding any thing contained in rule 35, if the debtor or in the case of joint-debtors the joint-debtor named first at the head of the account, agrees in writing to the statement being delivered personally, it shall not be necessary to send it by registered post.

37. Where a debtor or joint-debtor makes personal delivery of the statement of account, he shall acknowledge the receipt of the same in writing.

The debtor or the joint-debtor, as the case may be, shall sign the acknowledgment, or if he is illiterate affix his thumb impression thereto.

38. The postal registration and acknowledgment charges incurred under rule 35 shall be entered in the account and shall be recoverable by the creditor as if such charges were included in the loan, but no interest shall be charged thereon.

39. If the statement of account is sent by registered post, the production of the postal receipt and acknowledgment shall be sufficient proof of the sending of such statement.

40. The sum which may be charged by a pawn-broker for a copy of the entries in his account delivered by him to the pawner under sub-section (2) of section 12 of the Act shall be one anna.

V. Application to Government and fee therefor.

41. An application to the Government by a moneylender under section 21 of the Act to remove a disqualification imposed on him by a Court under section 19 or section 20 of the Act shall be in Form IX of the Schedule.

42. A fee of rupees two shall be paid on every such application by affixing Court Fee Stamps of that value to the application.

43. A copy of the order of the Court imposing the disqualification shall invariably accompany the application.

VI. Penalties.

44. Any breach of any of these rules or of any condition imposed under any of the Forms in the Schedule shall be punishable as if under section 20 of the Act.

FORM I.

(see rule 3)

REGISTER OF MONEYLENDERS.

(maintained under section 4 of the Mysore Moneylenders Act, 1939.)

1. Serial numer of moneylender.

* 2. Name of moneylender.

3. Date of registration.

4. Address of moneylender.

5. Principal place of business of the moneylender.

6. Other places of business of the moneylender, if any.

@ 7. Order of Court, if any, under section 19 or section 20 of the Act.

@ 8. (a) Whether Licence is issued to the moneylender.

(b) If so, date of issue of

(i) first Licence.

(ii) Renewal.

(iii) renewal.

9. Remarks

Signature.

---

* If the application is made on behalf of a Company, the name and address of the Company and the name of its Manager or Agent should be given against item (2) above.

When these entries are made after the moneylender has been registered they should be initialled by the officer making them.

Form No.II.

(see rule 4)

INDES TO THE REGISTER OF MONEYLENDERS.

(to be in duplicate)

Page No.

Name of Moneylender	Principal place of business.	Other places of business, if any.	Volume No.	First page of entry.	Number borne on Register	Date of Registration.	Remarks.

FORM III.

(see rule 5)

APPLICATION FOR REGISTRATION AS A MONEYLENDER.

To
The Registrar

We / I desire to be registered as a moneylender under section 5 of the Mysore Moneylenders Act, 1939.

* 1. Applicant's name.

2. Address.

3. Principal place where he intends to carry on business

4. Other places of business, if any.

5. Whether affidavit under rule 7 has been attached.

6. Remarks.

Place
Date

Signature.

Verification.

Place
Date

Signature.

---

* If the application is made on behalf of a Company, the name and address of the Company and the name of its Manager or Agent should be given against item (1) above.

FORM IV.

(see rule 11.)

CERTIFICATE OF REGISTRATION
UNDER THE MYSORE MONEYLENDERS ACT,1939.

CERTIFICATE No. OF...(place of issue)..... DATED.....

I.....(name)... Registrar of moneylenders at.....(place of issue)... do hereby certify that ..(name of moneylender)... has been duly registered as a moneylender under section 5 of the Mysore Moneylenders Act,1939, and is authorised to carry on~~x~~ ~~xxx~~ business as a moneylender at ....(principal place of business).... and at...(other places of business,if any).... ..subject to the provisions of the said Act and the Rules framed thereunder and also to the ~~xxxxx~~ following conditions:-

1. This certificate should be exhibited at a conspicuous place within the premises of the business (principal place of business).
2. A correct account should be kept of the daily transactions of the principal place of business and of the other places of business, if any, and the books of account shall be open for inspection by an Inspecting Officer at any time.
3. This certificate should not be transferred or sold. Nor s ould it be amended without the permission of the registering authority which should be applied for and obtained.
4. All corrections in this certificate should be made and attested by the authority who issued the certificate.
5. Breach of any of these conditions or of any of the provisions of the Mysore Moneylenders ~~xxxxx~~ Act,1939, or of any of the Rules issued thereunder will entail ~~suspension or cancellation of this certificate besides any other~~ the penalties that ~~may~~ be imposed under that Act or the Rules thereunder.

Signed.

Registrar.

Date.

..(place)...

FORM V.

(see rule 16.)

APPLICATION FOR LICENCE
UNDER THE MYSORE MONEYLENDERS ACT, 1939.

To

The Registrar of moneylenders,

We / I desire to be licenced to carry on the business of moneylender under section 7 of the Mysore Moneylenders Act, 1939.

1. Applicant's name.

2. Whether applicant has a subsisting registration certificate.

3. Number of the Registration Certificate, place of issue, and date.

4. Address

5. Principal place of business.

6. Other places of business, if any.

7. Whether affidavit under rule 19 has been attached.

8. Remarks.

Place.
Date.

Signature.

Verification

Place.
Date.

Signature.

---

* If the application is made on behalf of a Company, the name and address of the Company and the name of its Manager or Agent should be given against item (1) above.

FORM VI.

(see rule 20.)

~~LICENCE~~
LICENCE
UNDER THE MYS RE MONEYLENDERS ACT,1939.

LICENCE No. OF..(place of issue)..... DATED.....

DATE OF ISSUE. DATE OF EXPIRY.

District of Validity.

District or Districts to which extended

I... (name)... Registrar of moneylenders at.. (place of issue)... do hereby certify that ...(name of moneylender)... having been duly registered as a moneylender under section 5 of the Mysore Moneylenders Act,1939, is hereby licenced to carry on the business of moneylending within the District of ...(name of District).... at....(principal place of business)... and ... ..(other Districts,if any and other places of business,if any)... subject to the provisions of the Act and the Rules made thereunder and also to the following conditions:-

1. This Licence should be exhibited at a conspicuous place within the principal place of business of the moneylender.

2. A correct account should be kept of the daily transactions of the principal place of business and of the other places of business,if any, and the books of account shall be open for inspection by an Inspecting Officer at any time.

3. This Licence should not be transferred or sold. Nor should it be amended.

4. All corrections in this Licence should be made and attested by the authority who issued the Licence.

5.This Licence should be produced before any Court which requires its production.

6. Breach of any of these conditions or of any of the provisions of the Mysore Moneylenders Act,1939 or of any of the Rules issued thereunder will entail the penalties that may be imposed under that Act or of the Rules thereunder.

Signed.

Registrar.

Date. ...(place)..

Form VII.

(see rule 26.)

FORM OF ACCOUNTS OF A MONEYLENDER.

(to be maintained under section 9 of the Mysore Moneylenders Act,1939.)

ACCOUNT OF .....(Name of debtor ---- son of ..... . Caste .....Residence ....
Name and address of owner of article pawned. .. (in the case of pawnbrokers and where the pawner is not the owner of the article pawned.)

Full and detailed description of articles or each of the articles pawned. ... .. (only in the case of pawnbrokers).

Opening Balance (as on the date of the 31st December of the last preceding year or on the date of the last statement of account if any, whichever is the later)

Principal .....

Interest .....

Dr. Cr.

Date of transaction	Date of entry	Particulars of advance in figures.	Rate of interest.	Amount of interest charged.	Date	Particulars of repayment in figures.	Appropriation Principal	Appropriation Interest

Principal Interest Balance outstanding on the 31st December .....

Add opening balance as above.

Total

Signature of Creditor.

Where a statement of account is furnished to the debtor under section 11(1) of the Act, the account should be closed on that date and the balance struck as on that date.

FORM VIII.

(see rule 33.)

STATEMENT OF ACCOUNT TO BE FURNISHED TO A DEBTOR

(under section 11(1) of the Mysore Moneylenders Act, 1939)

ACCOUNT OF....(name of debtor,.. SON OF.... CASTE.... RESIDENCE....

Opening Balance.. (as on the date of the last statement of account, if any, or on the 31st December of the last preceding year.)

Principal
Interest

Dr			Cr;			
Date.	Particulars of advance.	Amount of interest charged.	Date	Particulars of repayment	Appropriation	
					Principal	Interest

---

where the accounts are kept in a language other than English or Kannada, the statement of accounts should be a true translation of it and a certificate to that effect should be obtained and signed by the moneylender and if need be the translator, by him also (See rule 31)

FORM ~~VIII~~ IX.

(see rule ~~38~~ 41.)

APPLICATION TO GOVERNMENT FOR REMOVAL OF DISQUALIFICATION

BEFORE THE GOVERNMENT OF HIS HIGHNESS THE MAHARAJA OF MYSORE.

Petition No. of..... under the Mysore Moneylenders Act,1939.

Petitioner ...(name and address)..

Under section 21 of the Mysore Moneylenders Act,1939, the petitioner abovenamed begs to state as follows:-

(here set out the fatcs.)

(next set out the grounds on which the removal of disqualification is claimed.)

Wherefore the petitioner prays that the disqualification imposed on him by ..(name of Court) ... may be removed..(or any other prayer that the petitioner desires to make)...

Date
Place

Petitioner

Verification.

Petitioner

Date
Place

A Court Fee Stamp of the value of rupee Two should be affixed to the petition.

Government of His Highness the Maharaja of Mysore.

General and Revenue Secretariat.

No. P 5266-Leg 37-39-2 Dated Bangalore the 3rd February 1940.

Notification.

In exercise of the powers conferred by sub-section (2) of section 1 of the Mysore Moneylenders Act , 1939, the Government of His Highness the Maharaja are pleased to apply all the provisions of the said Act excepting the provisions of section 7 and section 8 to the whole of Mysore.

They are further pleased to direct that these provisions shall come into force on and from the 1st day of April 1940.

By Order,

Secretary to Government
Law Department.

To

The Compiler, Mysore Gazette for publication.

Government of His Highness the Maharaja of Mysore.

General and Revenue Secretariat.

No. 5267-Legs 37-39-3 Dated Bangalore the 3rd February 1940.

NOTIFICATION.

In exercise of the powers conferred by sub-section (2) of section 1 of the Mysore Moneylenders Act,1939, the Government of His Highness the Maharaja are pleased to exempt the Bank of Mysore Ltd., Bangalore, the Imperial Bank of India, Ltd., and all their Branches and all Cooperative Societies registered under the Mysore Co-operative Societies Act,1918, from the operation of this Act.

By Order

Secretary to Government,
Law Department.

To

The Compiler Mysore Gazette for publication in the Gazette.

Government of His Highness the Maharaja of Mysore.

General and Revenue Secretariat.

No. 5268-69-37-39-4 Dated Bangalore 3rd February 1940.

NOTIFICATION.

In exercise of the powers conferred by section 3 of the Mysore Moneylenders Act, 1939, the Government of His Highness the Maharaja are pleased to appoint all Sub-Registrars appointed under the Mysore Registration Act, 1903, to be Registrars of moneylenders within their respective jurisdictions.

By order

Secretary to Government
Law Department.

To

The Compiler, Mysore Gazette for publicationin the Gazette.

Government of His Highness the Maharaja of Mysore.

General and Revenue Secretariat.

No.R 5269 - Legs 37. 39.5 Dated Bangalore 3rd February 1940.

NOTIFICATION.

In exercise of the powers conferred by sub-section (1) of section 13 of the Mysore Moneylenders Act, 1939, the Government of His Highness the Maharaja are pleased to authorise all Assistant Commissioners in charge of Revenue Sub-divisions to inspect the accounts of moneylenders within their respective jurisdictions.

By Order

Secretary to Government
Law Department.

To

The Compiler Mysore Gazette for publication in the Gazette.

Immediate

No. P.5270/Exc. S.

3rd February 1940.

Dear Sir,

In sending herewith five Notifications under the Mysore Moneylenders Act, 1939, I am desired to state that they have to appear in Part IV of the Gazette of the 8th instant. I am also to request that four clean proofs may be sent to this office not later than Monday for approval.

Yours sincerely,

B.Krishnaswami Chetty, Esq., B.E., etc.,
Compiler, Mysore Gazette, Bangalore.

H.D. No. P 5330
Sec. Proofs.

6th February 1940

Dear Sir,

In returning herewith the proofs of the Rules and Notifications under the Moneylenders Act duly corrected, I am desired to request that 500 copies of the Rules may kindly be got printed, 250 being sent to the Depot for sale and 250 to this office.

200 copies of each of the other Notifications may also be got printed and sent to this office.

The Rules and Notifications have to appear in the Gazette of the 8th instant (Part IV).

Yours sincerely,

G

B.Krishnaswami Chetty, Esq., B.E.,
Compiler Mysore Gazette, Bangalore.

NOTIFICATION.

In exercise of the powers conferred by sub-section (2) of section 1 of the Mysore Moneylenders Act, 1939, the Government of His Highness the Maharaja are pleased to direct that in Notification No.P.5267/Legis 37-39-3 dated 3rd February 1940 the following words shall be added at the end, namely-

"except the provisions of sections 14 to 17 (both inclusive) thereof".

By Order,

12/3

Secretary to Government
Law Department.

To

The Compiler, Mysore Gazette for publication.

Pllcc 20/3/40

GOVERNMENT OF HIS HIGHNESS THE MAHARAJA OF MYSORE.

No. P 6337 dgs 37-35-6 General and Revenue Secretariat,

Dated Bangalore 20th March 1940 ~~xxx~~.

NOTIFICATION.

In exercise of the powers conferred by sub-section (2) of section 1 of the Mysore Money Lenders Act, 1939, the Government of His Highness the Maharaja are pleased to direct that in Notification No.P.5267/Legis.37-39-3 dated 3rd February 1940 the following words shall be added at the end, namely -

" except the provisions of sections 14 to 17 (both inclusive) thereof".

By Order,

20/3

Secretary to Government,
Law Department.

To

The Compiler, Mysore Gazette, for publication. in Extraordinary issue of the Gazette (Part IV-B) and Supply 100 spare Copies to this Office

mk.~~16~~.8

xxxxxxxxxxxxxxxxxxxxxxxx

20th March 1940.

IMMEDIATE.

C. No P6336 Secl.

Dear Sir,

I am desired to send herewith a notification for publication in the Gazette and to request that arrangements may kindly be made to have it published in Part IV of tomorrow's issue alone.

Yours sincerely,

MKN 20/3

B.Krishnaswami Chetty, Esq., B.E., etc.,
Compiler, Mysore Gazette, Bangalore.

Subd.

This relates to a notification under the Money Lenders Act removing the exemption from provisions re interest in respect of Bank of Mysore etc.

IMMEDIATE.

Legs 37-39-9

GOVERNMENT OF HIS HIGHNESS THE MAHARAJA OF MYSORE.

No. P6841
Legs 37-39-9

General and Revenue Secretariat,
Dated Bangalore 18th April xx 1940.

NOTIFICATION.

In exercise of the powers conferred by sub-section (2) of section 1 of the Mysore Moneylenders Act,1939, the Government of His Highness the Maharaja are pleased to exempt the undermentioned Banks and all their Branches from the operation of this Act except the provisions of Sections 14 to 17 (both inclusive) thereof:-

1. The Indian Bank Ltd.,
2. " Central Bank of India Ltd.,
3. " Vysya Bank Ltd.,
4. " Sriman Madhwa Siddhanta Abhivriddhikarini Bank Ltd.,
5. " Canara Bank Ltd.,
6. " Devanga Bank Ltd.,
7. " Sringeri Sri Sarada Bank Ltd.,

By Order,

17/4

Secretary to Government,
Law Department.

The Compiler, Mysore Gazette, for publication in Part IV of the Gazette and sending 200 spare copies of the notification to this office very early.

K.M.R.10.

GOVERNMENT OF HIS HIGHNESS THE MAHARAJA OF MYSORE.

No. P6841
Ly's 37.39-9

General and Revenue Secretariat,

Dated Bangalore 18th April 1940.

NOTIFICATION.

In exercise of the powers conferred by sub-section (2) of section 1 of the Mysore Moneylenders Act,1939, the Government of His Highness the Maharaja are pleased to exempt the undermentioned banks and all their branches from the operation of this Act except the provisions of sections 15 to 17 (both inclusive) thereof:-

1. The Indian Bank Ltd.,
2. " Central Bank of India Ltd.,
3. " Vijaya Bank Ltd.,
4. " Sriman Madhwa Siddhanta Abhivriddhikarini Bank Ltd.,
5. " Canara Bank Ltd.,
6. " Devanga Bank Ltd.,
7. " Sringeri Sri Sarada Bank Ltd.,

By Order,

Sd. H.V. Narayana Rao,

Secretary to Government,
Law Department.

The Compiler, Mysore Gazette for publication in Part IV of the Gazette and sending 200 spare copies of the notification to this office very early.

L. .P.10.

Copy to the Bank, also mentioned.

23/4/40.

DRAFT.

NOTIFICATION.

In exercise of the powers conferred by sub-section (2) of section 1 of the Mysore Moneylenders Act,1939, the Government of His Highness the Maharaja are pleased to exempt the undermentioned Banks and all their Branches from the operation of this Act except the provisions of sections 14 to 17 (both inclusive thereof:-

1. The Indian Bank Ltd.,
2. The Central Bank of India Ltd.,
3. The Vysya Bank Ltd.,
4. The Sriman Madhwa Siddhanta Abhivriddhikarini Bank Ltd.,
5. The Canara Bank Ltd.,
6. The Devanga Bank Ltd.,
7. Sringeri Sri Sarada Bank Ltd.

By Order,
13/4.
Secretary to Government,
Law Department.

To
The Compiler, Mysore Gazette for publication in Part IV of the Gazette and sending 200 spare copies of the notification to this office very early.

Copy to
Manager
Banks (as above) for information.

D.O.No. P.6890/Secy.2 19th April 40.

MYSORE MONEY LENDERS ACT, 1939.

Dear Sir,

I am desired to invite reference to this Office letter No.P.4758/Legis. dated the 13th January 1940, on the above subject and to forward copies of two notifications issued on the question of exemption of certain institutions from the provisions of the Money-Lender Act. Under these notifications, the Bank of Mysore and all its Branches are exempted from provisions of the Act except section 14 to 17 (both inclusive) relating to interest on loans.

Yours faithfully,

12/4

Secretary to Government,
for Law Department.

The Manager,
Bank of Mysore Ltd.,
Bangalore.

K.M.R.2.

The Manager,
Bank of Mysore Ltd.,
Bangalore.

Dear Sir,

MYSORE MONEYLENDERS ACT,1939.

I am desired to invite reference to this office letter No.P.4758/Legis dated 13th January 1940 on the above subject and to forward ~~two~~ copies of two notifications issued on the question of exemption of certain institutions from the provisions of the Moneylender Act. Under these notifications, the Bank of Mysore and all its Branches are exempted from the provisions of the Act except section 14 to 17 (both inclusive) relating to interest on loans.

Yours faithfully,

13/4

Secretary to Government
Law Department.

15/4/40

D.O. No P6891/Exc.1. 19th April 40.

MYSORE MONEY LENDERS ACT, 1939.

Dear Sir,

I am desired to invite attention to Mr. Subrahmanya Aiyer's Demi-Official letter No.P. 5543 dated 12th February 1940 on the above subject and to enclose herewith copy of a further notification on the subject of exemption of the Imperial Bank of India, etc., from the operation of the Money Lenders Act. Under the revised notification, the exemption does not cover the provisions relating to interest.

Yours faithfully,

17/4

Secretary to Government,
Law Department.

J.A. Gill, Esq.,
Agent, Imperial Bank of India,
Bangalore.

K.M.R.2.

MYSORE MONEYLENDERS ACT, 1939

I am desired to invite attention to Mr. Subrahmanya Aiyer's Demi-official letter No.P5543 dated 12th February 1940 on the above subject and to enclose herewith copy of a further notification on the subject of exemption of the Imperial Bank of India, etc., from the operation of the Moneylenders Act. Under the revise notification, the exemption does not ~~extend~~ cover the provisions relating to interest.

13/4.

J.A.Gill Esq.,
Agent, Imperial Bank of India
Bangalore.

GOVERNMENT OF HIS HIGHNESS THE MAHARAJA OF MYSORE

General and Revenue Secretariat

No. P6892/Sec 2

Dated, Bangalore, 19th April 1940.

From

The Secretary to the Government of His Highness the Maharaja of Mysore,
Law Department.

To

The Registrar of Co-operative Societies in Mysore,

Bangalore.

Sir,

The Mysore Money Lenders Act, 1939.

I am directed to invite reference to your letter No. 2893 C.S. dated 8th September 1939, on the above subject and to forward copies of two notifications issued in the matter of exempting the co-operative Societies from the provisions of the Money Lenders Act. Under these notifications, the co-operative Societies that are registered under the Co-operative Societies Act, 1918, are exempted from the provisions of the Act excepting section 14 to 17 (both inclusive) thereof which relate to interest.

I have the honour to be,

Sir,

Your most obedient servant,

1574.

Secretary to Government,
for Law Department.

K.M.R.2.

DRAFT.

The Registrar of Co-operative Societies
in Mysore, Bangalore.

Sir,

The Mysore Moneylenders Act, 1939.

I am directed to invite reference to your letter No.2893 C.S. dated 8th September 1939 on the above subject and to forward copies of two notifications issued in the matter of exempting the co-operative Societies from the provisions of the Moneylenders Act. Under these notifications, the co-operative societies that ar registered under the Co-operative Societies Act, 1918, are exempted from the provisions of the Act exeepting section 14 to 17 (both inclusive) thereof which relates to interest.

I have etc.,

Secretary to Government
Law Department

All letters to be addressed and Remittances made payable to "THE [illegible]AN BANK LD."

The Indian Bank, Limited,

§Liability of Members is Limited§

(Incorporated in British India.)

BANGALORE [illegible] CITY,

No. M134/405. Cl 13/2/40

13th February, 1940.

The Secretary to Government,
Law Department,
Bangalore.

Sir,

We beg to request you to kindly exempt our institution from the operation of the provisions of the "Mysore Money-lenders Act" Act XIII of 1939. No notification necessary in the Gazette

We beg to inform you that ours is a Joint Stock concern registered in Madras in 1907 and is the premier ~~and oldest~~ Bank in South India. We are also filing Returns under the Companies Act with the Registrar of Joint Stock Companies in Mysore. Our Bank is also approved by the Finance Department of the Government of Mysore for purposes of deposit of monies by Government and concerns started with Government aid.

We are keeping proper books of accounts which are periodically audited. We are also members on the I Schedule of the Reserve Bank and members of the Clearing Houses at Bombay, Madras and Colombo. We are an institution of established reputation.

We are charging interest at undernoted rates for the various classes of business:

1. On loans secured by Government Securities and Stocks, Bonds, produce, bullion, gold and silver and

and silver jewels etc., interest is charged at rates varying from 3% to 6% per annum, according to the nature of the security and the amount advanced.

2. On bills discounted and purchased, the rate of interest charged varies between 3% to 7% per annum.

3. On advances taken on the personal security of borrowers, interest is charged at rates varying between 5% to 8% per annum.

Thus, we beg to point out the rates of interest charged by our institution, is substantially lower than the rates specified under Section (14) of the Act.

Two copies of our Balance Sheet for the half-year ending 30th June, 1939 is enclosed for your information.

We may also assure you, though exemption is granted from the operation of the Act, still the Bank will be following in letter and spirit the object for which the Act has been enacted.

Yours faithfully,

PKS. AGENT.

THE INDIAN BANK, LD.

DIRECTORS' REPORT

(65th Report)

AND

STATEMENT OF ACCOUNTS

AS AT

30th June 1939.

THE INDIAN BANK, LD.

BOARD OF DIRECTORS

Rm. ALAGAPPA CHETTIAR, Bar-at-Law, c/o Cochin Textiles Ltd., Pudukad (Cochin State).

The Hon'ble Mr. NARAYANDAS GIRDHARDAS, Banker, Madras.

Rao Bahadur O. A. P. Rm. ARUNACHALAM CHETTIAR, Banker, Pallattur.

C. V. C. T. V. VENKATACHALAM CHETTIAR, Banker, Kanadukathan.

S. PARTHASARATHY, Advocate, Mylapore, Madras.

A. M. M. MURUGAPPA CHETTIAR, Banker, Pallattur.

C. KRISHNAMOORTHY MUDALIAR, Landlord, Shiyali, Tanjore Dt.

The Hon'ble Mr. M. Ct. M. CHIDAMBARAM CHETTIAR, Banker, Madras.

Diwan Bahadur C. V. VENKATARAMANA AIYANGAR, Retired Advocate, Coimbatore.

K. BALASUBRAMANIA AIYAR, Advocate, Mylapore, Madras.

M. R. M. PERIANNAN CHETTIAR, Banker, Karaikudi.

SIR C. MADHAVAN NAIR, Kt., Retired High Court Judge, Madras.

THE INDIAN BANK, LD.

HEAD OFFICE :

North Beach Road, Madras.

LOCAL OFFICES :

Esplanade :—Broadway.
Triplicane :—Big Street.
Mylapore :—North Mada Street.
Theagarayanagar :—Prakasam Road.
Purasawalkam :—Purasawalkam High Rd.
Royapettah :—Bazaar Road.
Sowcarpet :—China Bazaar Road.

BRANCHES :

Adoni, Alleppey, Bangalore, Bangalore Cantt., Bezwada, Bombay, Cochin, Coimbatore, Colombo, Erode, Guntur, Jaffna, Karaikudi, Kumbakonam, Madura, Nandyal, Pudukottah, Quilon, Salem, Tirunelveli, Tiruppur, Tiruvarur, Trichur, Trichinopoly and Tuticorin.

SUB OFFICES :

Gudivada, Tenali, Bhimavaram, Repalli, Tanuku, Duggirala, Narasaraopet, Devakottah and Udumalpet.

	Rs.
Issued and Subscribed Capital	47,92,800
Called and Paid-up Capital as on 30th June 1939	12,79,280
Reserve Fund ...	14,00,000
Contingent and other Funds	4,60,100
Deposits	3,85,36,200

THE INDIA

BALANCE SHEET

LIABILITIES.

	Rs.	A.	P.	Rs.	A.
Capital—					
Authorised Capital—					
60,000 SHARES of Rs. 100 each, Rs. 60,00,000					
Issued and Subscribed Capital for payment in cash—					
47,928 SHARES of Rs. 100 each, Rs. 47,92,800					
Called and Paid-up Capital—					
20,000 SHARES at Rs. 50 per share	10,00,000	0	0		
27,928 SHARES at Rs. 10 per share	2,79,280	0	0	12,79,280	
Reserve Fund				13,50,000	0
Investment Reserve Fund				1,97,260	13
Contingent Fund				1,75,699	5
Provision for Income-Tax and Super-Tax				40,147	0
Deposits:—FIXED, CURRENT, SAVINGS BANK, CASH CERTIFICATES, STAFF SECURITY, PROVIDENT AND GRATUITY FUND AND OTHER LIABILITIES				3,85,36,244	7
Dividends Not Drawn				29,791	9
Bills for Collection				13,99,638	12
Rebate on Bills				3,517	14
Drafts and T. T's Payable				3,70,689	3
Liability for Foreign Bills Negotiated, Letters of Credit and Exchange Contracts *as per contra*				29,36,083	12
Branch adjustment				4,39,247	2
Sundries				31,429	10
Profit and Loss Account—					
BALANCE BROUGHT FORWARD	26,298	14	7		
NET PROFIT FOR THE HALF-YEAR ENDED 30TH JUNE '39	1,99,299	10	6	2,25,598	9
..... ent Liabilities.					
CLAIMS AGAINST THE BANK NOT ACKNOWLEDGED AS DEBTS:—					
(1) Suit in High Court, Madras for Rs. 86,472-14-0 dismissed by Trial Judge appeal pending.					
(2) Suit in High Court, Madras for Rs. 20,000/- pending trial.					
TOTAL RS. ...				4,70,14,628	4

Dr. **PROFIT AND LOSS ACCOUNT FOR T**

	Rs.	A.
TO DEPOSITORS' AND BANKERS' INTEREST	3,78,962	14
,, SALARIES AND GRATUITY	1,70,871	9
,, TAXES	28,090	6
,, RENTS AND INSURANCE	30,133	8
,, DIRECTORS' FEES	2,650	0
,, AUDITORS', LEGAL ADVISER'S AND OTHER FEES	2,620	0
,, BOOKS AND STATIONERY	17,976	11
,, COMMUNICATIONS	21,351	8
,, OTHER CHARGES	31,211	14
,, NET PROFIT	1,99,299	10
TOTAL RS. ..	8,83,168	3

K. P. SUNDARAM IYER,
Accountant.

R. GOVI

K. BALASUBRAMANIA IYER
C. V. C. T. V. VENKATACHALAM CHETTIAR
C. V. VENKATARAMANA AIYANGAR
C. KRISHNAMOORTHY MUDALIAR

AUDIT

We have examined the above Balance Sheet and Profit and Loss Account with the Books of the Head Office and Erode, Guntur, Jaffna, Karaikudi, Kumbakonam, Madura, Nandyal, Pudukottah, Quilon, Salem, Tuticorin, Trichinopoly Tanuku, and Devakottah Sub-Offices and the Sub Offices in the City, verified Cash at Madras and Securities at the H Sheet and Profit and Loss Account are, in our opinion, drawn up in conformity with the law, that the above Balance S and as shown by the Books of the Bank and that, in our opinion, Books of Account have been kept by the Bank as requ

Madras, 31st July 1939.

N BANK, LD.

AT 30th JUNE 1939.

ASSETS.

	Rs.	A.	P.	Rs.	A.	P
Loans, Advances, Cash Credits, Overdrafts, Bills Discounted, Bills Purchased, Temporary Overdrafts and other debts :—				2,64,63,598	12	11
Particulars required under the Indian Companies Act VII of 1913.						
* I. DEBTS CONSIDERED GOOD and in respect of which the Bank is FULLY SECURED	2,20,06,005	1	9			
II. DEBTS CONSIDERED GOOD & FOR WHICH THE BANK HOLDS :—						
(*a*) Joint and Several Pronotes	22,09,885	9	9			
(*b*) Pronotes by several persons singly	1,89,946	11	4			
(*c*) Bills Discounted and Bills Purchased	17,47,408	12	4			
(*d*) No Pronotes, being Temporary Overdrafts & other debts ...	1,27,410	8	4			
III. BAD AND DOUBTFUL DEBTS	1,82,942	1	5			
Among the above items are included :—						
A. DEBTS DUE BY DIRECTORS :—						
(*i*) Fully Secured, including debts due jointly and severally with joint stock companies or due by firms of which a Director is a partner ...	11,86,536	1	9			
(*ii*) Jointly and Severally with others on Pronotes or Bills discounted and CONSIDERED GOOD	1,37,447	4	10			
(*iii*) On Pronotes on single signature including debts due by firms of which a Director is a partner and CONSIDERED GOOD	8,874	13	4			
(*iv*) Without any Pronotes being Temporary Overdrafts and CONSIDERED GOOD	856	8	9			
B. DEBTS DUE BY OTHER OFFICERS AND CONSIDERED GOOD ...	7,095	11	4			
(The total of maximum balances on loans and advances made to Directors in the half-year amounted to (*a*) against securities Rs. 14,91,629-11-3 and (*b*) on personal security Rs. 2,86,468-14-10: Advance to Secretary Rs. 3-14 4)						
Bank's Buildings :—						
Cost up to 31—12—1938 .. .. Rs. 3,24,835 10 5						
Additions during the half-year 1,083 10 0	3,25,919	4	5			
Less—Depreciation written off to 31—12—1938 ..	1,46,908	12	1	1,79,010	8	4
Safes and Furniture:—						
Cost up to 31—12—38 ... ... Rs. 1,81,474 12 3						
Additions during the half-year 13,101 12 2	1,94,576	8	5			
Deductions in the half-year ... ... Rs. 4,665 7 6						
Less—Depreciation written off to 31—12—38 ... 54,045 5 1	58,710	12	7	1,35,865	11	10
Books, Stamps and Stationery				69,338	4	8
Bills for Collection				13,99,638	12	3
Customers' Liability for Foreign Bills negotiated, Letters of Credit and Exchange Contracts as per Contra				29,36,083	12	7
Sundries				17,444	6	4
Investments :—						
Government of India, Provincial Govt. and other Trust Securities *at Cost* ...	1,00,88,478	4	6			
Loans of Native States and of local authorities in Native States *at Cost* (Market value of the above is Rs. 1,04,71,919-6-0)	6,01,568	12	0			
Deposit in State Savings Bank Account	10,994	10	1			
Shares of Reserve Bank and Joint Stock Company fully paid (Rs. 1,500) and debentures of Joint Stock Companies *at Cost*	5,01,500	0	0			
Immoveable Properties *at Cost*	15,810	0	0	1,12,18,351	10	7
Interest accrued on Investments				65,925	13	7
Deposit of Staff Security in Scheduled Banks				3,74,966	7	2
Cash on Hand	18,37,778	7	6			
,, at Bankers in current account	23,16,625	8	9	41,54,404	0	3
* This includes investment of Provident and Gratuity Fund monies in Trust Securities.	TOTAL Rs. ...			4,70,14,628	4	6

HALF-YEAR ENDING 30th JUNE 1939. Cr.

	Rs.	A.	P.
BY INTEREST	7,30,973	15	6
,, DISCOUNT (after allowing for rebate)	17,490	4	8
,, EXCHANGE AND COMMISSION, ...	1,19,217	15	4
,, RENT, GODOWN CHARGES AND OTHER MISCELLANEOUS INCOME	15,486	0	3
TOTAL Rs. ...	8,83,168	3	9

RA..,
Asst. Secretary.

N. GOPALA IYER,
Secretary.

A. M. M. MURUGAPPA CHETTIAR
S. PARTHASARATHY
RM. ALAGAPPA CHETTIAR
C. MADHAVAN NAIR
} *Directors.*

S' REPORT.

certified Returns from the Adoni, Alleppey, Bezwada, Bombay, Bangalore, Bangalore Cantonment, Cochin, Coimbatore, Colombo, ruvarur, Trichur, Tiruppur, Tirunelveli, Udumalpet Branches and Tenali, Gudivada, Bhimavaram, Duggirala, Narasaraopet, Repalli, Office and have obtained all the information and explanations we have required; and we beg to report that the above Balance exhibits a true and correct view of the Bank's affairs according to the best of our information and the explanations given to us by Sec. 130, Indian Companies Act, 1913.

BRAHMAYYA & Co.,
Incorporated Accountants and Registered Accountants
P. S. SUBRAMANIA IYER,
Registered Accountant.
} *Auditors.*

The Indian Bank, Limited, Madras.

DIRECTORS' REPORT.

SIXTY-FIFTH REPORT.

1. The Directors have the pleasure to submit an *ad interim* statement of Assets and Liabilities and of Profit and Loss Account of the Bank for the half-year ending 30th June, 1939. The Auditors' Report is also annexed.

	Rs.	A.	P.
2. Figures in the statement:—The net profit for the half-year amounted to	1,99,299	10	6
Brought forward from last year	26,298	14	7
Total ...	2,25,598	9	1
This sum the Directors propose to appropriate as under:—			
To pay an *ad interim* **dividend** at the rate of **10 per cent.** per annum for the half-year ending 30th June 1939 (*free of Income-tax*)	63,964	0	0
To place to Reserve Fund raising it to **Rs. 14,00,000** ...	50,000	0	0
To place to Contingent Fund raising it to **Rs. 2,00,000** ...	24,300	11	0
To place to Investment Reserve Fund raising it to **Rs. 2,20,000** ...	22,739	3	0
and To carry forward to current half-year	64,594	11	1
Total ...	2,25,598	9	1

3. The Bank Rate remained unchanged at 3% in the half-year under report.

4. Two more Offices in the city of Madras, a Branch at Tirunelveli and a Sub-Office at Devakottah were opened in the half-year.

K. BALASUBRAMANIA IYER
C. V. C. T. V. VENKATACHALAM CHETTIAR
C. V. VENKATARAMANA AIYANGAR
C. KRISHNAMOORTHY MUDALIAR
A. M. M. MURUGAPPA CHETTIAR
S. PARTHASARATHY
RM. ALAGAPPA CHETTIAR
C. MADHAVAN NAIR
Directors.

INDIAN BANK BUILDINGS,
Madras, 29th July, 1939

TELEGRAMS: 'CERTAIN'

TELEPHONE: 2514

THE CENTRAL BANK OF INDIA, LTD.

(INCORPORATED IN BRITISH INDIA, 1911—LIABILITY OF MEMBERS IS LIMITED)

DISTRICT BOARD BUILDING
KEMPEGOWDA ROAD

5361/1935
P

No. L. 4/433

Bangalore City, 13th February, 19 40.

The Law Secretary,
The Government of Mysore,
BANGALORE.

Dear Sir,

Re:-Act XIII of 1939 -The Mysore Money Lenders Act.

With reference to my personal interview with you to-day regarding the exemption of our institution from the above-mentioned act, I wish to inform you as under :-

The Central Bank of India Ltd., established in 1911, has its Registered Head Office at Bombay, and it has over one hundred Branches and Pay-Offices all over the country. The local Branch is situated on Kempegowda Road in the District Board Building. Its Chairman is Sir H.P. Mody, Kt., K.B.E.

It is a purely national institution managed entirely by Indians, ranks foremost to-day in Capital and Deposits amongst the Joint Stock Banks of India.

		Rs.
Authorised Capital	..	3,50,00,000 0 0
Subscribed Capital	..	3,36,26,400 0 0
Paid Up Capital	..	1,68,13,200 0 0
Reserve Liability of Share-holders	..	1,68,13,200 0 0
Reserve and other Funds	..	1,11,46,598 1 0
Deposits as at 31-12-1939	..	29,86,82,037 14 0

The Bank pays interest to its depositors on Current Deposits at 1% per annum on daily balances and accept Short Deposits at 2½% and Fixed Deposits for twelve months at 2%. The Bank issues Cash Certificates at 2½%.

The Bank charges maximum interest of 9% on unsecured advances and from 3½% to 6% on secured advances. It also discounts Usance Bills from 3½% to 6%.

Thus it will be observed that our Bank transacts purely banking business, practically on the same terms as the Imperial Bank of India and Bank of Mysore, to both of ~~whom~~ which Banks the exemption has been granted by the Government.

We trust in view of the above-mentioned facts, the Government will be pleased to grant to this Institution exemption from the Mysore Money Lenders Act-13 of 1939 and issue a notification to the same effect.

We await an early reply as the same has to be conveyed to our Head Office at Bombay.

Yours faithfully,

AGENT.

D/RRS.

S S 7/1935

The Indian Life Assurance Offices Association

Lakshmi Building,
Sir P. Mehta Road, Fort

Bombay 22nd February 1940

From

C. G. Fozdar Esqr., (Manager, Asian Assce. Co. Ltd.)

Honorary Secretary.

The Secretary to the Mysore Government,
Revenue & Commerce Department,
BANGALORE.

Sir,

Subject: Exemption of Life Insurance Companies doing business in Mysore Territories from the operation of the Mysore Money Lenders Act.

I have been directed by my Committee to address you on the subject noted above on behalf of the Indian Life Assurance Offices Association, whose members hold 67% of the total number of Policies in force in India and 83% of the Policies in force with the Indian Companies.

My Committee fully recognise the necessity for providing for the Government control over Moneylenders as such and therefore welcome the above Act which is notified to come into force from 1st of April 1940 but my Committee feel that the Act as framed goes far beyond the scope ordinarily assumed for a legislation for regulation and control of transaction of Moneylenders and are purturbed by the wide definitions that has been given to the term "Moneylender" and "Moneylending Business" in Sec. 2 of the Act which are likely to affect the loan transactions of Life Insurance Companies to their Policyholders.

My Committee feel confident after studying the objects and reasons of your Bill that the Mysore Government had no intention when the Act was drafted of Insurance Companies being made subject to its provisions and it is probable that such companies were not contemplated at all when the above Act was drafted. My Committee beg to point out to your Government that Life Insurance Companies grant loans only to their Policyholders and that too only within the surrender value of their policies and at rates of interest -

averaging to 6% but not exceeding 9% which is the rate allowed under Section 14 of the above Act. Moreover, every Policyholder who is granted a loan is granted upon exactly the same terms as any other Policyholder borrowing the same amount. No distinctions are drawn, all policyholders being treated alike and no advantage being taken of the intensity of the necessity of the borrower. My Committee therefore submit, that the objects of the Mysore Moneylenders Act cannot be said to be directed to Life Assurance Companies

(i) Because they lend to their Policyholders on exactly the same terms or even on lesser rate of interest than allowed under the Mysore Moneylenders Act and

(ii) Because there has been no complaint against the rates charged by the Insurance Companies, for indeed such rates are reasonable and equitable.

My Committee further desire to point out to your Government that the Insurance Companies are excluded from the operation of similar legislation in England. The Government of Punjab and Bengal have also excluded Insurance Companies from the provisions of their Moneylenders Bills. The Bihar Government have also recently exempted Insurance Companies from the operation of various sections effecting Insurance Companies from the Bihar Moneylenders Act.

My Committee, therefore, respectfully submit that in view of the facts set out herein above the Life Insurance Companies doing business in Mysore Territories should be granted complete exemption from the provisions of the Mysore Moneylenders Act under Section 1(2) of the Act. My Committee confidently hope that without in any way affecting the effectiveness of the Act, it will be found possible for your Government to afford Life Insurance Companies the relief for which my Committee pray.

I have the honour to be,
Sir,
Your most obedient servant,

Hon. Secretary.

SECY. LAW DEPT. 24 FEB. 1940 GOVT. OF MYSORE

REV. SECRETARY. 24. FEB. 1940

THE VYSYA BANK, LIMITED

(INCORPORATED IN MYSORE 1930)

BRANCHES:—CHITALDRUG, DAVANGERE, HINDUPUR, PRODDATUR

ALL COMMUNICATIONS TO BE ADDRESSED TO THE SECRETARY.

436, SRI KRISHNARAJENDRA ROAD,
BANGALORE CITY.

Dated 23rd February 1940

No. II/206

The Law Secretary,
The Government of Mysore.,
Old Public Offices,
Bangalore City.

Copied.

Respected Sir,

Re:- Money Lenders' Act:-

We come under the definition of money lender and we are required to R register our name and obtain license and keep certain forms of accounts under the above Act.

We beg to submit, Sir, we are a Registered Company under the Mysore Companies Act. We follow double entry system. Our accounts are more complicated and elaborate and kept according to the Companies Act. We also give pass books without charge. We give receipts for every payments made. Our accounts are audited every year by a Registered Accountant and the Balance sheets and periodical returns are submitted to the Registrar of Joint Stock Companies.

In one word, we practically follow the system adopted by the Bank of Mysore, Ltd., from whom we copied many forms, headings of accounts etc., The Bank of Mysore, Ltd., is given exemption under this Act.

We request you therefore to be good enough to exempt us from the operation of the above Act.

For this act of kindness we ever remain grateful.

We beg to remain,
Respected Sir,
Yours Obediently,
for The Vysya Bank Ltd
Secretary.

SO/LN.

TELEGRAMS: 'CERTAIN'

5746 22

TELEPHONE:

THE CENTRAL BANK OF INDIA, LTD.

(INCORPORATED IN BRITISH INDIA WITH LIABILITY OF MEMBERS IS LIMITED)

DISTRICT BOARD BUILDING
KEMPEGOWDA ROAD

No. L 4/180 Bangalore City 29th Feb. 1940

The Law Secretary to the Government
of Mysore, BANGALORE.

Dear Sir,

Re:-Act XIII of 1939-The Mysore Money Lenders Act.

We wish to refer you to our letter No.L 4/433 of the 13th instant. We shall feel obliged if you will let us have an early reply of the same, as it has to be conveyed to our Head Office at Bombay.

Yours faithfully,

D/RRS.

AGENT.

5748

THE SRIMAN MADHWA SIDDHANTA ABHIVRIDDHIKARINI BANK, LIMITED,

(THE S. M. S. A. BANK, LTD.)

SECY. TO GOVT. PROTECTION
1 - MAR. 1940

No. 1, 2nd Main Road,
NEW THARAGUPET,
Bangalore City, 29th Feb'40.

REF. NO. 4905

SECY. LAW DEPT. Legis
1 - MAR 1940
GOVT OF MYSORE

The Secretary,
The Law Department,
The Government of Mysore in Bangalore,
New Public Offices,
B A N G A L O R E.
= = = = = = = = =

1/3/40
1/3

DEAR SIR,

SUBJECT:- Request for exemption from the - operations of the MYSORE MONEYLENDERS ACT OF 1939.

In exercise of the powers conferred by - Sub-Section (2) of Section 1 of the Mysore Moneylenders - Act of 1939, we beg to request the Government of His Highness- the Maharaja of Mysore that the Sriman Madhwa Siddhanta - Abhivriddhikarini Bank,Limited.,(The S.M.S.A.Bank,Ltd.,), - Bangalore City, be exempted from the operations of the above - Act on the following chief grounds among others:

We are a Joint Stock Banking Company, duly registered- on 12th April 1930, under the Mysore Companies Regulation, ~~and~~ True - ~~copy~~ copies of the Certificate of Incorporation and the - Certificate of Commencement of Business substantiating the - above are enclosed.

We have been carrying on the business of pure - Banking from 6th May 1930 within the provisions of the Act and - a copy of the latest Audited Balance Sheet as on 30th June 39, duly certified by an authorised Auditor is enclosed herewith for -

THE SRIMAN MADHWA SIDDHANTA ABHIVRIDDHIKARINI BANK, LIMITED,

(THE S. M. S. A. BANK, LTD.)

No. 2, 2nd Main Road,
NEW THARAGUPET,
Bangalore City.

REF. NO.

29th Feb'40.

information.

Practically we are maintaining the Accounts, Books-Forms etc., almost on the same procedure and practice followed-by the Mysore Bank and the Imperial Bank of India, in Bangalore, - which have been graciously exempted from the New Act and specimen - Forms for maintaining the loan and Current Account Overdraft - Accounts are enclosed for perusal.

All the Registers and Forms introduced and used by-the Bank of Mysore,Ltd., are being adopted and maintained by us, and they - are very useful and convenient. We beg to state that there will-be no difficulty to furnish, from our present books, any - detailed statistics that may be required or prescribed under-the Rules for the administration of the Mysore Moneylenders - Act of 1939.

It may be added here that this Bank was started by-the late Rajakaryaprasakta Rao Bahadur M.Shama Rao, Esq., M.A., Retired Inspector-General of Education in Mysore, with a strong-directorate consisting of retired Officers of the Mysore and - Madras Government and has still on the Board, directors of - Status and position with Mr.H.Bhimasena Rau, B.A., Retired - Accountant General of Madras, as Chairman.(vide list of - Directors on the reverse of the Balance Sheet enclosed herewith). It is an indigenous Bank doing business adopting the same - principles of banking as are in practice in the Imperial Bank - of India and the Bank of Mysore,Ltd., Bangalore. Though it is a Bank-

THE SRIMAN MADHWA SIDDHANTA ABHIVRIDDHIKARINI BANK, LIMITED,

(THE S. M. S. A. BANK, LTD.)

No. 2, 2nd Main Road,
NEW THARAGUPET,
Bangalore City, 29th Feb'40.

EF. NO.

of ten years standing, it was able to survive ~~of some~~ - ~~big Banks in~~ the shock caused by the failure of some - big Banks in South India in recent years, due to the fact - of its sound foundations laid by the late Rajakaryaprasakta Rao-Bahadur Mr. M. Shama Rao.

It is successfully competing in its own humble - sphere with Banks with much larger resources in catering to the- requirements of the Commercial Public. Consequently the - interest charged on loans and advances which are always fully- secured is always lower than other small Banks in the Mysore - State.

Under the above circumstances, we beg to request - that exemption as has been granted to the Imperial Bank of India and the Bank of Mysore,Ltd., may also be kindly extended to this - Bank, which is purely indigenous in the State.

Thanking you in anticipation of early favourable - orders in the matter.

We beg to remain -
Dear Sir,
For The Board of Directors of -
the S.M.S.A.Bank,Ltd., and by the orders- of the President-

(1) P.B.Bhimasain

(2) G. Sambavirabha
SUPERVISING DIRECTORS.

Encls: 5
GSR.

C84

gmm.

NO.C.26 of 30-31.

CERTIFICATE OF INCORPORATION.

I HEREBY CERTIFY-

THAT the Sriman Madhwa Siddhanta Abhivriddhikarini Bank,Limited., is this day incorporated under the Mysore Companies - Regulation, VIII of 1917, and that the Company is LIMITED.

Fee paid Rupees Three hundred and Thirty-nine only.

Given under my hand at Bangalore this 12th day of - April One Thousand Nine Hundred and Thirty.

S.P. Rajagopala char
Sd/-. ~~Bangalore.~~
Registrar of Joint Stock Companies in - Mysore.

'True Copy'
For The S. M. S. A. Bank, Ltd.,
1) B.Bhimasena
2) G. Sankaraiyya
SUPERVISING DIRECTORS.

Corr. Manu.

C.73 of 1930-31.

D.6th May 1930.

(SECTION 103 (2).)

CERTIFICATE FOR COMMENCEMENT OF-
BUSINESS.

(PURSUANT TO SECTION 103(2) of the MYSORE COMPANIES REGULATION 1917) -

------0------

I HEREBY CERTIFY that the Sriman Madhwa Siddhanta - Abhivriddhikarini Bank,Ltd., which was incorporated under the Mysore - Companies Regulation,1917, on the 12th day of April 1930 and which has- on 2nd May 1930 filed a duly verified declaration in the prescribed - form that the conditions of Section 103(1) (a) to (d) of the said - Regulation have been complied with, is entitled to commence business.

Given under my hand at Bangalore this 6th day of May One- Thousand Nine Hundred and Thirty.

Sd/-.S.P. Rajagopalachar.
Registrar of Joint Stock -
Companies in Mysore.

'True Copy'
For The S. M. S. A. Bank,Ltd.,
1) B.Bhimarao
2) G. Sankaviraya
SUPERVISING DIRECTORS.

C&W
9/7/30

The Sriman Madhwa Siddhanta Abhivriddhikarini Bank, Ltd.

(THE S. M. S. A. BANK, LTD.)

New Tharagupet, BANGALORE CITY

REPORT of the Directors of THE SRIMAN MADHWA SIDDHANTA ABHIVRIDDHIKARINI BANK, LIMITED, BANGALORE CITY, to be presented to the Shareholders at the Ninth Annual General Meeting of the Bank to be held at the Registered Office of the Bank in Bangalore City, at 3 p.m., *on Sunday, the 27th August 1939.*

1. Before proceeding with the business of the day your Directors have to report with deep sorrow, the sad and sudden demise of Rajakaryaprasakta Rao Bahadur M. Shama Rao, M.A., on 5th July 1939. He was a great Historian, a student of Economics and a good scholar of Sanskrit. He was greatly revered by all, both high and low, for his simplicity, affable manners and easy accessibility. He was one of the Chief Founders of the Bank and was the First President and remained as such during his life-time. By his death, not only the Bank, but also the whole State, has suffered a severe loss. His congenial figure, so familar to all of us at the General Meetings, is greatly missed. To perpetuate his memory and as a mark of grateful appreciation of his services to the Bank, your Directors have proposed to place an enlarged portrait of his in the Hall of the Bank. May his soul rest in peace!

2. The Directors have great pleasure in submitting to the Shareholders this report consisting of the Profit and Loss Account for the year ended 30th June 1939 and the Balance Sheet as on that date, duly certified by the Auditor.

3. In their report for the previous year, your Directors had stated that the year had been a momentous one from the Bankers' point of view and that the failure of a couple of Banks had caused shock to the Investing Public. This disturbance in the public confidence had not completely disappeared during the year under report. The closing down of the Kaniyara Bank, next door neighbour to the Bank, was also an additional disturbing factor. On account of this state of affairs some of the nervous Depositors after maturity of their deposits withdrew their amounts from the Bank and invested the same in the Government Savings Bank at a much lower rate of interest.

The rate of interest of both the Reserve and the Imperial Banks was steady at 3%, the rate ruling in the previous year. The rates for Fixed Deposits in Larger Banks ranged from 1½ to 2½% and the discounting rate was between 3 and 4%. The smaller Banks were affected by this, in so far their lending was concerned, while they were obliged to offer higher rates for attracting Fixed Deposits.

4. With a view to afford greater confidence to the Investing Public, the Bank, according to its policy, has increased its Investments in fluid securities from Rs. 68,450 to Rs. 1,06,550.

5. In spite of these unfavourable conditions, you will be glad to learn that the business of the Bank during the year under report compares favourably with that of the previous year. The total turn-over for the year under report was Rs. 62·66 lakhs, the highest figure reached upto now. But in spite of this increase, the earnings of the Bank were less than those for the previous year owing to the disturbing and depressing factors referred to already.

6. The Directors have now submitted their recommendations regarding appropriation of profits for your kind acceptance.

The Net Profits of the Bank for the year amounts to Rs. 1,713-0-9 which sum together with Rs. 35-13-11 brought forward from the last year's account, aggregates to Rs. 1,748-14-8. Out of this sum, now available for appropriation, the Directors recommend :

	Rs.	A.	P.
(1) To General Reserve	440	0	0
(2) ., Pay Dividend at the rate of 3% on the shares, duly and fully paid-up as on 30th June 1939 amounting to	1,268	9	7
and (3) ., Carry forward	40	5	1
TOTAL ..	1,748	14	8

The Directors while appreciating the loyal and hard work rendered by the Staff regret very much their inability to grant the usual bonus for want of funds.

7. Messrs. B. Gururajah Rao, P. Panini Rao, G. Santavirappa and S. Venkatakrishnaiya are the Directors who retire and they offer themselves for re-election. Messrs. P. Hanumanthiah, Banker and Merchant, C. & M. Station, Bangalore, A. Tandoni Rao, L.C.E., M.I.E. (Ind.), Retd. Executive Engineer and B. Balaji Rao, B.A., Retired Geologist, Bangalore, were co-opted as Directors in the vacancies caused by the resignations of Messrs. M. Venkanna Char, M. G. Rangaiya, and by the death of Rajakaryaprasakta Rao Bahadur M. Shama Rao, M.A. The Board of Directors now recommend all these appointments for your approval.

8. The Directors also recommend that Mr. H. Bhimasena Rau, B.A., who has been Officiating as President of the Bank since 1935, be confirmed as President in the place of the late Rajakaryaprasakta Rao Bahadur M. Shama Rao, M.A.

9. The Bank's accounts were audited by Mr. A. Ramaswamiengar, B.COM., G.D.A., R.A., Accountant and Auditor. He retires and offers himself for re-election.

10. The Dividends are payable on and after the 7th September 1939.

By Order of the Board,
M. R. KRISHNASWAMY RAO,
Offg. Secretary.

BANGALORE CIT
23rd July 1939.

THE SRIMAN MADHWA SIDDHANTA ABHIVRIDDHIKARINI BANK, LIMITED

(THE S. M. S. A. BANK, LTD.)

NEW THARAGUPET, BANGALORE CITY

BALANCE SHEET AS ON 30TH JUNE 1939

LIABILITIES	Amount			Amount			ASSETS	Amount			Amount		
SHARE CAPITAL :	Rs.	A.	P.	Rs.	A.	P.	ADVANCES :	Rs.	A.	P.	Rs.	A.	P.
Authorised—50,000 Shares of Rs. 10 each				5,00,000	0	0	Loans and Cash Credits	1,92,075	5	10			
Issued & Subscribed—4,824 Shares of Rs. 10 each (all for cash)				48,240	0	0	Overdrafts	51,373	3	5			
CALLED AND PAID-UP CAPITAL :							Bills Discounted	129	0	7			
4,681 Shares of Rs. 10 each called up ..	46,810	0	0								2,43,577	9	10
5 Shares of Rs. 4 each called up ..	20	0	0				*(Particulars required under Mysore Companies Act XVIII of 1938)*						
	46,830	0	0				1. Debts considered good in respect of which the Bank is fully secured	2,12,144	11	5			
Less Calls in arrears	2,578	0	0				2. Debts considered good and secured by the personal liability of two or more individuals	14,740	15	1			
				44,252	0	0	3. Debts considered good and secured by personal liability of single individuals ..	9,135	13	2			
SHARES FORFEITED (Amount paid-up) ..				412	0	0	4. Debts considered good, due by Directors, fully secured	4,064	1	0			
RESERVE FUND				3,560	0	0	5. Debts considered good due by Staff of the Bank fully secured	301	5	11			
RESERVE FOR BAD AND DOUBTFUL DEBTS				2,353	6	11	6. Debts considered good due by Staff of the Bank secured by personal liability ..	1,185	15	11			
INVESTMENTS RESERVE				171	7	0	7. Debts considered doubtful	2,004	11	4			
SINKING FUNDS :							TOTAL ..	2,43,577	9	10			
Recurring Deposit	2,230	4	11										
Cash Certificate	695	3	9				FURNITURE, ARTICLES AND BOOKS OF REFERENCE at cost	3,280	5	1			
				2,925	8	8	Additions in the year	62	1	6			
DEPOSITS :								3,342	6	7			
Current	13,867	4	5				*Less* Total Depreciation to-date	1,026	14	0			
Fixed	1,73,775	7	1								2,315	8	7
Recurring	9,866	0	0				STATIONERY AND PRINTED BOOKS ON HAND				191	12	6
Cash Certificate	12,906	0	0				SUNDRIES RECEIVABLE				101	8	0
				2,10,414	11	6	BILLS ON HAND				22,193	7	4
BANK LOANS AND OVERDRAFTS : secured by Investments and other Transferable Securities				1,14,485	1	3	INVESTMENTS :						
UNCLAIMED DIVIDENDS				178	8	7	Mysore State Loan Bonds (Face Value of Rs. 99,050) at cost	99,789	12	0			
INTEREST ON FIXED DEPOSITS PAYABLE				3,281	1	10							
CHEQUES UNDER REALISATION ..				92	6	6							
BILLS AND CHEQUES FOR COLLECTION as *per contra*				22,193	7	4							
SUNDRY SUSPENSE				279	9	3							
INTEREST SUSPENSE				3,095	4	6							
SUNDRY LIABILITIES				323	4	4							
PROFIT AND LOSS ACCOUNT :													
Balance as per last Balance Sheet	3,613	7	6										

,, Dividends	1,236	2	10				Machinery at cost do.		224	3	0
,, Bonus, etc.	303	6	10								1,16,167	15	10
,, Grant-in-aid	35	0	0				CASH ON HAND AND WITH BANKERS :				
				3,577	9	7	Cash and Stamps on hand		8,415	13	0
				35	13	11	Cash in Mysore Government Savings Bank with interest accrued		193	11	4
Add Net Profit for the year to date ..				1,713	0	9	Cash with Bankers		16,609	5	11
						1,748	14	8				25,218	14	3
TOTAL ..						4,09,766	12	4	TOTAL ..			4,09,766	12	4

Dr. PROFIT AND LOSS ACCOUNT FOR HE YEAR ENDED 30TH JUNE 1939 *Cr.*

	Rs.	A.	P.		Rs.	A.	P.
To Interest on Fixed Deposits and Bank Overdrawals	10,934	0	5	By Interest, Commission and Miscellaneous Receipts	20,033	8	10
,, Directors' Fees and Allowances	932	1	0				
,, Auditor's and Legal Adviser's Fees	155	0	0				
,, Establishment	4,112	1	9				
,, Office Rent and Tax	738	12	0				
,, Printing and Stationery	427	7	6				
,, Advertisement Charges	101	8	0				
,, Miscellaneous Charges	435	11	6				
,, Postage, Telegrams & Telephone	264	11	3				
,, Bad Debts written off	27	15	7				
,, Depreciation on Furniture, Safes and Books	191	3	1				
,, Net Profits for the year	1,713	0	9				
TOTAL ..	20,033	8	10	TOTAL ..	20,033	8	10

AUDITOR'S CERTIFICATE

I beg to report that I have examined the above Balance Sheet and Profit and Loss Account with Books and Accounts and have obtained all the information and explanations required. Cash and securities were verified and found correct. In my opinion, the above Balance Sheet and Profit and Loss Account are drawn up in conformity with the Law and such Balance Sheet exhibits a true and correct view of the state of affairs of the Bank according to the best of my information and explanations given to me and as shown by the Books of the Bank and in my opinion, Books of Account have been maintained by the Bank as required by Section 130.

BANGALORE CITY,
19*th July* 1939.

A. RAMASWAMIENGAR,
Registered Accountant.

H. BHIMASENA RAU (*Chairman*)

B. GURURAJAH RAO
B. BHIMASENA RAO
P. HANUMANTHAIAH
P. PANINI RAO
G. SANTAVIRAPPA
PANDIT YAGNAVITTALACHAR
Y. NARASINGA RAU
B. BALAJI RAO
S. VENKATAKRISHNAIYA
A. TANDONI RAO
} *Directors.*

True Copy
THE SRIMAN MADHWA SIDDHA
ABHIVRIDDHIKARINI BANK, LTD.
B. Bhimasena
G. Santavirappa
Director.

By Order of the Board,
M. R. KRISHNASWAMY RAO,
Officiating Secretary.

AGENDA

1. To receive the Report of the Board of Directors and adopt the Balance Sheet as on 30th June 1939 and the Profit and Loss Account for the year ended 30th June 1939 duly certified by the Auditor.
2. To sanction the recommendations of the Board of Directors, regarding the Appropriation of Profits.
3. To elect the President and Directors in place of those retiring.*

   To pass the Budget for the year 1939-40.
5. To elect an Auditor for auditing the Accounts of the Bank for the year 1939-40 and to fix his remuneration.

   To consider subjects, if any, brought up by the Shareholders under Article 21 (c) of the Articles of Association.

*Such of the Shareholders as are willing to stand for election to the Directorate should send their applications in writing so as to reach the Offg. Secretary on or before the 10th August 1939.

THE SRIMAN MADHWA SIDDHANTA ABHIVRIDDHIKARINI BANK, LTD.

(THE S. M. S. A. BANK, LTD.)

NEW THARAGUPET : : BANGALORE CITY

NOTICE is hereby given that the Ninth Annual General Meeting of the Shareholders of The Sriman Madhwa Siddhanta Abhivriddhikarini Bank, Limited, will be held at the Registered Office of the Bank, No. 1, 2nd Main Road, New Tharagupet, Bangalore City, at 3 p.m., on Sunday, the 27th August 1939.

Such of the Shareholders as are unable to attend the Meeting are requested to send the enclosed Proxy Form, duly stamped and signed, to the undersigned, so as to reach him on or before the 19th August 1939.

By Order of the Board,
M. R. KRISHNASWAMY RAO,
Offg. Secretary.

1188-39 The Bangalore Press

BOARD OF DIRECTORS

1. H. BHIMASENA RAU, ESQ., B.A, Retired Accountant-General, Madras, Bangalore (*Chairman*).
2. S. VENKATAKRISHNAIYA, ESQ., B.A., B.L., Retired District and Sessions Judge, Bangalore.
3. G. SANTAVIRAPPA, ESQ., B.A., Retired Senior Superintendent of Police, Bangalore.
4. Y. NARASINGA RAU, ESQ., B.A., B.L., Retired Senior Assistant Commissioner, Bangalore.
5. B. GURURAJAH RAO, ESQ., B.A., B.L., Retired Sub-Judge, Bangalore.
6. P. PANINI RAO, ESQ., B.A., B.L., Advocate, Madras.
7. B. BHIMASENA RAO, ESQ., Retired Inspector of Posts and Telegraphs, Bangalore.
8. PANDIT AGNIHOTRI YAGNAVITTALACHARYA, Agent, Uttaradi Mutt, Bangalore.
9. PAPANNAH HANUMANTHAIAH, ESQ., Merchant and Banker, C. & M. Station, Bangalore.
10. B. BALAJI RAO, ESQ., B.A., Retired Geologist, Bangalore.
11. A. TANDONI RAO, ESQ., L.C.E., M.I.E. (IND.), Retired Executive Engineer, Bangalore.

The Sriman Madhwa Siddhanta Abhivriddhikarini Bar

(The S.M.S.A.Bank,Ltd.,)

Name..... LOAN LEDGER.

Address:.....

..... Loan of Rs.....advanced on...

Date.	Particulars.	Bond-No.or Challan-No.	Debit.	Secry.	Credit.	Balance.	Ledger.	Acc

Ledger Clerk.	Accountant.	Secretary.	Particulars.	Value to date.

True Copy'.

B B Sharma

SUPERVISING DIRECTORS.

Cow

imited., Bangalore City.

,at the rate of.....per cent per annum.

Repayable.....

Due on.....

n- ant.	No.of- days.	Product.	Int.due.	Int.- received.	date.	Challan No.

Remarks.

5824/39
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F.21 ESTD. 1906.

Canara Bank Limited

INCORPORATED IN BRITISH INDIA

Bangalore City.

1 MAR 1940 Legislative Govt. of Mysore

MAR 1940

Ref. No. T 93

COPIED

4th Febr. 1940.

The Secretary
The Government of Mysore.
Law Department,
Bangalore.

Re-Money Lenders Act.

Dear Sir,

For reasons mentioned below we beg to be exempted from maintaining our accounts of advances as required by the above Act:-

1. We are of 34 years standing, being established as long back as in 1906, and are bound by the Indian Companies Act. and the Mysore Companies Act, and are members of the Reserve Bank of India.

2. Our accounts are being audited every year by a qualified Auditor, and our periodical reports are sent to the Registrar of Joint Stock Companies, Mysore.

3. Our rates of interest on advances are much less than required under the above Act.

4. Being an big organisation consisting of 37 Branch Offices a uniform system of maintaining accounts at all Branches facilitates much in the consolidation of these accounts and Centralisation at Head Office.

For the above reasons we hope you will kindly consider our case and grant us exemption from the above Act, and await your favourable reply.

Yours faithfully,
B. Raghavendra Baliga
Agent.

5878 p39

PHONE NO. 2395

The Devanga Bank Limited.

Agencies:
Mysore & Dodballapur

IN REPLY QUOTE OUR REFERENCE
NO. 29/19

Kempe Gowda Road,
Bangalore City.

March 5, 1940.

The Secretary to Government,
Law Department,
Old Public Offices,
Bangalore.

Dear Sir,

The Mysore Money Lenders Act.
Exemption - Requested.

Under the definition in Section 1 (4) of "Money Lender" of the Mysore Money Lenders Act of 1939, we are a body corporate incorporated under the Mysore Companies Regulation (No. VIII of 1917) in 1926. Hence, we come under the purview of the Act, which enforces us to be registered as a Money Lender and obtain licenses periodically besides other Statutory requirements.

We beg to submit the following representation for your consideration:

a) We are a Joint Stock Company registered under the Mysore Companies Regulation (No.VIII of 1917).

b) We are in the banking field for very nearly 14 years, i.e. since its date of commencement of business on 27th March 1926.

c) We follow the double entry system of accounts adopted and under usage by the leading Banks such as the Bank of Mysore, Ltd. Every individual account is regularly recorded with full particulars in chronological order and maintained in English - language and numericals in Ledger Books properly bound and whose pages are consequtively numbered and are non-detachable.

contd.

COPIED

d) Receipts are given to the debtors for every payment made duly signed by the Officers of the Bank.

e) We issue, free of charge, once either at the time of opening an account; or, whenever required by the debtor a Pass Book with up-to-date entries made therein.

f) Our ruling rates of interest charged on loans advanced do not exceed the limits imposed under Section 14 of the Act.

g) Our accounts are audited half-yearly by a duly Registered Incorporated Accountant; and Balance Sheets are issued as per requirements under the Mysore Companies Regulation.

h) Periodical Returns are being submitted regularly to the Registrar of Joint Stock Companies.

i) Our accounts and books annually come under the scrutiny of the Income Tax Officer.

In fine, we, to all ~~interests~~ intents and purposes, have been following a system of recording and maintenance of accounts embodying most of the requirements under the said Act. Besides, they being a close parallel to the accounts and Account Books maintained by the Bank of Mysore, Ltd.

Under these circumstances, we request the Government to exercise the powers conferred by Sub-Section (2) of Section 1 of the Mysore Money Lenders Act, 1939, to exclude us and our Agencies from the operation of the said Act.

We have the honour to be,
Sir,
Your most obedient servants,

MANAGER.

MKJ:SKB:

S 8020 1939

EMPIRE OF INDIA LIFE ASSURANCE CO., LTD.

[INCORPORATED IN BRITISH INDIA.]
Established 1897.

IN ALL COMMUNICATIONS PLEASE QUOTE NO. OF POLICY.

HEAD OFFICE: BOMBAY.

BRANCH OFFICE FOR MYSORE STATE & COORG AND ANANTAPUR & BELLARY DISTRICTS.

Telephone No. 2680.

DISTRICT BOARD BUILDING, KEMPE GOWDA ROAD.

h/6/40/w

BANGALORE CITY, 5th March 1940.

The Secretary to Government,
Law Department,
Old Public Offices,
Bangalore.

Dear Sir,

Mysore Moneylenders Act, 1939.

With reference to the above Act, I shall thank you to kindly confirm that the provisions of this Act do not apply to Life Assurance Companies.

Thanking you for an early reply,

Yours faithfully,

Branch Secretary.

AR.

S 364 [illegible]

SRINGERI SRI SARADA BANK, LTD.

(ESTABLISHED 1914.)

All Communications to be Addressed
TO THE MANAGER.

SRINGERI (KADUR DT.)

No. 352

Date 8 3 1940.

[illegible]

[illegible]

[illegible]

SRINGERI SRI SARADA BANK, LTD.

(ESTABLISHED 1914)

All Communications to be Addressed
TO THE MANAGER.

SRINGERI (KADUR DT.)

No.———— Date..... 19

True copy of the resolution of the Directors' Meeting held on 5. 3. 1960.

1960 మార్చి 5 వ తేదీ [illegible] గారి అధ్యక్షతన జరిగిన డైరక్టర్ల సమావేశంలో ఈ క్రింది తీర్మానము చేయబడింది:—

"నెప్పటి బ్యాంకు నష్టాల వల్ల [illegible] ఇంకా నష్టాలు రాకుండా ఇప్పటి వరకు జరిగిన నష్టాలు బ్యాంకు గుంజకుండా వీలయినన్ని తొందరలో [illegible] తగ్గించు [illegible] చేయాలని నిర్ణయించడమైనది."

For SRINGERI SRI SARADA BANK LTD.,
D. Rawachandra
MANAGER. 8/3/60.

Life Department.
Please address
all communications to
the General Manager

6029 P.C.

Telephone: 30047 (3 Lines)
Telegraphic Address
"NIASURANCE"
A. B. C. 6th Edition
Bentley's

COPIED
SEV. SECTT.
Legis
15. MAR. 1940
PROTECTION

A+P

SECY DEPT.
15. MAR. 1940
BANGALORE

NEW INDIA

Assurance Company Limited (of Bombay, India)

P.O.BOX 969.

When replying please quote number of policy or proposal

Bombay 12th March 1940.

The Secretary to Mysore Government,
Revenue & Commerce Department,
BANGALORE.

Dear Sir,

Subject: Exemption from the operation of the Mysore Money-Lenders Act, 1939

We beg to enclose herewith a copy of our latest Balance-Sheet and Directors' Report.

The policies of Life insurance issued by our Company contain a provision that if after the policy has acquired a surrender value, a premium or premiums be not paid within the time allowed therefor, the Company will automatically advance the same and keep the policy in force for so long as there is sufficient net surrender value of the policy to cover the premium for atleast one full month. These loans, it may be observed, are granted as a privilege to policyholders and under an obligation on the part of the Company.

Loans are also advanced to policyholders at a uniform rate of 6% on the security of policies within their surrender value in terms of the policy conditions.

The terms "Money Lender" and "Money Lending Business" as defined in Section 2 of the Act are wide enough to cover these loans and to bring the Company within the purview of the Act.

The Mysore Money Lenders Act is meant as stated in the preamble to regulate and control the transactions of money-lending. Such enactments are made to protect ignorant borrowers from unscrupulous money-lenders.

The Insurance Acts of your State and of British India have as their aim the regulation and control of the business of insurance and we feel it cannot be the intention of your Government to apply the Money Lenders Act to loans as above, particularly when the same are in the nature of a privilege.

Insurance Companies are further required, under the various Insurance Acts, to furnish twice a year to Government a return of the investment of assets of the Company including loans granted to policyholders.

The accounts of Insurance Companies are audited by qualified auditors and statutory returns of the Accounts and Balance-Sheet are made to Government every year.

Our Company has deposited a sum of Rs.4,50,000 with the Reserve Bank of India as required by the provisions of the Insurance Act, 1938, of British India.

In view of what is stated hereinabove and our longstanding connection with the State, we request that our Company be exempted from the provisions of the Mysore Money Lenders Act under the powers given to your Government under Section 1(2) thereof.

We may add for your information that Insurance Companies are excluded from similar Legislation in Central Provinces and the Punjab. The Government of Bengal have also been pleased to exempt insurance companies from their

Money Lenders Bill while the Behar Government recently exempted insurance companies from the operation of various sections of the Behar Money Lenders Act.

We therefore trust that your Government will be pleased to grant our Company the exemption for which we pray.

We have the honour to be
Dear Sir,
Your most obedient servants,
For & on behalf of the New India Assce.Co.Ltd.

W Millard

General Manager.

HNR

THE

NEW INDIA

ASSURANCE

COMPANY LIMITED

Incorporated in India

AUTHORIZED CAPITAL
Rs. 6,00,00,000

SUBSCRIBED CAPITAL
Rs. 3,56,05,275

PAID UP CAPITAL ——— Rs. 71,21,055

TOTAL FUNDS ——— Rs. 2,59,23,074

REPORT & ACCOUNTS

FOR THE YEAR ENDED

31st DECEMBER 1938.

THE

New India Assurance Company, Limited.

(INCORPORATED IN INDIA.)

Head Office :—Esplanade Road, Bombay.

Board of Directors :

SIR CHUNILAL V. MEHTA, K.C.S.I., *(Chairman).*

J. R. D. TATA, ESQ., *(Vice-Chairman.)*

AMBALAL SARABHAI, ESQ.

THE HON'BLE SIRDAR SIR SULEMAN CASSUM MITHA, KT., C.I.E.

RAMNIWAS RAMNARAIN, ESQ.

DINSHA K. DAJI, ESQ.

A. D. SHROFF, ESQ.

KASTURBHAI LALBHAI, ESQ.

SIR H. P. MODY, K.B.E.

General Manager :

W. MILLARD

Life Manager :

S. B. CARDMASTER

Secretary :

R. H. MODI

Accountant :

N. A. DAROOWALLA

Actuary :

B. K. SHAH, F. I. A. (London).

Bankers :

THE CENTRAL BANK OF INDIA, LIMITED.

THE IMPERIAL BANK OF INDIA.

THE NATIONAL CITY BANK OF NEW YORK.

Solicitors :

MESSRS. PAYNE & Co.

Auditors :

MESSRS. A. F. FERGUSON & Co.,
Chartered Accountants,
(Registered Accountants).

MESSRS. S. B. BILLIMORIA & Co.,
Public Accountants,
(Registered Accountants).

THE

New India Assurance Company, Limited.

REPORT BY THE DIRECTORS

to be submitted at the

Twentieth Ordinary General Meeting of the Company

to be held at

Bombay, on Thursday the 29th June, 1939.

The Directors have pleasure in submitting their Report, together with Audited Accounts and Balance Sheet, for the year ended 31st December, 1938.

FIRE DEPARTMENT

The net premiums amounted to Rs. 32,92,464-8-6, and the net claims, paid and outstanding, to Rs. 12,52,520-1-5.

Commission, Expenses of Management and Foreign Taxes, etc., amounted to Rs. 16,20,455-15-6, being 49·2% of the premiums for the year.

After increasing the Additional Reserve by Rs. 65,000 a balance of Rs. 3,88,103-15-1 has been transferred to Profit and Loss Account.

The Reserve for unexpired liability remains at 40% of the premium income for the year and the Additional Reserve amounts to Rs. 24,40,000.

The combined Reserves amount to Rs. 37,56,986 as against Rs. 35,98,612 at 31st December 1937.

MARINE DEPARTMENT

The net premiums amounted to Rs. 26,24,352-12-9 and the net claims, paid and outstanding, to Rs. 22,95,682-5-1.

Commission and Expenses of Management amounted to Rs. 4,47,545-14-6 being 17% of the premiums for the year.

The Fund after transferring Rs. 35,000 from Profit & Loss Account amounts to Rs. 24,36,013-6-0 as against Rs. 24,35,499-3-4 at 31st December 1937.

The New India Assurance Company, Limited.

ACCIDENT DEPARTMENT

The net premiums amounted to Rs. 11,34,622–7–4 and the net claims, paid and outstanding, to Rs. 5,81,299–11–3.

Commission and Expenses of Management amounted to Rs. 4,04,399–15–3 being 35·6% of the premiums for the year.

After increasing the Additional Reserve by Rs. 1,15,000, a balance of Rs. 19,075–1–7 has been transferred to Profit & Loss Account.

The Reserve for unexpired liability remains at 40% of the premium income for the year and the Additional Reserve amounts to Rs. 6,80,000. The combined Reserves amount to Rs. 11,33,849 as against Rs. 9,69,370 at 31st December 1937.

LIFE DEPARTMENT

During the year under review, 8669 proposals were received for assurance amounting to Rs. 2,18,29,997. Of these, and a few others awaiting completion at 31st December, 1937, 6896 proposals resulted in policies for Rs. 1,71,96,467 of which Rs. 15,64,500 was reassured. In addition, a Leasehold Redemption Policy for Rs. 6,00,000 with an annual premium of Rs. 3,525 and two Immediate Annuity Bonds for a consideration of Rs. 10,443 were issued.

The total number of ordinary policies in force is 30819 assuring, with bonuses, a sum of Rs. 7,78,71,285–14–4 of which Rs. 76,58,417–8–0 is reassured.

Claims paid and outstanding amounted to Rs. 4,60,368–4–0 after deduction of reassurances.

The ratio of Expenses of Management was 28·9% of the premium income for the year.

An amount of Rs. 17,230–14–0, representing a proportion of the Shareholders' profits arising from the last Valuation of the assets and liabilities, has been transferred from Shareholders' Life Profit Account to Profit & Loss Account.

PROFIT AND LOSS

The approximate Interest earned by the Revenue Accounts has been credited to those Accounts. The remaining Interest, plus Transfer Fees, amounts to Rs. 3,87,353–8–9. An amount of Rs. 3,88,103–15–1 has been transferred from the Fire Account, Rs. 19,075–1–7 from Accident Account, and Rs. 17,230–14–0 from Shareholders' Life Profit Account. An amount of Rs. 35,000 has been transferred to the Marine Revenue Account.

After providing for all other outgo, and bringing in the amount carried forward at 31st December, 1937, amounting to Rs. 2,17,165–13–6 there remains a balance of Rs. 8,92,470–5–5.

The Directors recommend payment of a dividend for the year at the rate of Rs. 1–6–0 per share, free of Income Tax, which will amount to Rs. 6,52,763–6–0.

An amount of Rs. 2,39,706–15–5 will be carried forward to next Account.

The New India Assurance Company, Limited.

SECURITIES

Securities are valued in the Balance Sheets at or below cost price. At the close of the year under review the aggregate market value exceeded the book value in each of the Balance Sheets.

GENERAL

Exchange Sterling is taken at 1/6. American Exchange has been maintained at Rs. 265 to $ 100. The Profit on Exchange during the year has been added to the Reserve for Exchange which now amounts to Rs. 61,114–15–11.

FUNDS

The financial position of the Company stands as follows :—

Capital Paid up							...Rs.	71,21,055	0 0
Fire Fund	Rs.	37,56,986	0	0					
Marine Fund	„	24,36,013	6	0					
Accident Fund	„	11,33,849	0	0					
Life Assurance Fund	„	99,25,100	2	1					
Leasehold Redemption Assurance and Sinking Fund	„	4,202	5	1					
Profit & Loss A/c.	„	8,92,470	5	5					
Investment Reserve	„	5,92,282	14	7					
Reserve for Exchange	„	61,114	15	11					
								1,88,02,019	1 1
							Total Funds...Rs.	2,59,23,074	1 1

As a result of the year's operations, the Total Funds are increased by Rs. 31,15,471–13–11.

The Directors have to record with deep regret the untimely death of two of their esteemed colleagues, Sir Nowroji Saklatvala, K. B. E., C. I. E., and the Hon'ble Sir Phiroze Sethna, Kt., O. B. E.

The late Sir Nowroji joined the Board of the Company shortly after its formation and was appointed Chairman in 1930. His outstanding ability and his unstinted efforts on behalf of the Company commanded the whole hearted respect and gratitude of all those connected with the Company who deeply deplore his passing away.

The late Sir Phiroze was one of the original Directors of the Company and his vast business experience and sound counsel were of great assistance to the Company throughout his long connection with the Board.

Sir H. P. Mody, K. B. E. who was appointed Director under Article 88 of the Articles of Association of the Company now retires under the same Article and offers himself for re-election.

The following Directors retire by rotation :—

Sir Chunilal V. Mehta, K. C. S. I.
Mr. J. R. D. Tata, and
Mr. Ramniwas Ramnarain

and being eligible offer themselves for re-election.

Messrs. A. F. Ferguson & Co., and Messrs. S. B. Billimoria & Co., offer themselves for re-election as joint Auditors.

CHUNILAL V. MEHTA *Chairman.*

J. R. D. TATA
AMBALAL SARABHAI
SULEMAN CASSUM MITHA
RAMNIWAS RAMNARAIN
A. D. SHROFF
H. P. MODY

Directors.

Bombay, dated the 25th May 1939.

REPORT OF THE AUDITORS TO THE SHAREHOLDERS

We have audited the annexed Balance Sheet of the New India Assurance Company, Limited, as at 31st December, 1938, together with the annexed Balance Sheet of the Life Assurance Fund as at 31st December, 1938, the Leasehold Redemption Assurance and Sinking Fund Account, and the Life, Fire, Marine and Accident Revenue Accounts and the Profit and Loss Account of the Company for the year ended upon that date in which are incorporated the Returns from the various Branches and Agencies, and beg to report that:

(a) We have obtained all the information and explanations which we have required.

(b) In our opinion, the annexed Balance Sheets, Revenue Accounts and Profit & Loss Account are drawn up in conformity with the law.

(c) Such Balance Sheets exhibit true and correct views of the state of the Company's affairs and of the Life Assurance Fund respectively according to the best of our information and the explanations given to us and as shown by the books of the Company.

(d) In our opinion, books of accounts have been kept by the Company for the year under report as required by Section 130 of the Indian Companies Act.

(e) The provisions of the Indian Life Assurance Companies Rules, 1930, so far as they affect the Accounts have been complied with.

(f) We have personally verified the bank balances, and the investments and the securities representing mortgages held here and abroad have been verified by us personally by actual inspection or by the production of certificates or vouchers and are satisfied as to their correctness.

(g) The outstanding Premia due by Directors or their firms on current insurance business have not been stated separately; such accounts have since been adjusted.

A. F. FERGUSON & Co.,
CHARTERED ACCOUNTANTS,
REGISTERED ACCOUNTANTS.

S. B. BILLIMORIA & Co.,
REGISTERED ACCOUNTANTS.

} AUDITORS.

BOMBAY, DATED THE 25TH MAY 1939.

The New India Assurance Company, Limited.

Revenue Accounts for the year ended 31st December, 1938.

LIFE ASSURANCE ACCOUNT

	Rs.	a.	p.
Amount of Life Assurance Fund at the beginning of the year	73,72,525	11	0
Premiums	39,00,441	0	2
Premiums (Annual) for Deferred Annuities	919	12	0
Consideration for Annuities granted ...	10,443	0	0
Interest ... ...Rs. 4,00,437 3 8			
Less, Income-Tax ... „ 59,919 0 9			
	3,40,518	2	11
Assignment, Endorsement and other Fees...	1,006	4	4
Exchange	6,684	11	11
	Rs. 1,16,32,538	10	4

NOTE :—

Single Premiums ...Rs.	7,297	0	0
First Year's Premiums ... „	7,57,042	9	5
Renewal Premiums. „	31,36,101	6	9

	Rs.	a.	p.
Claims under policies paid and outstanding less re-assurances :—			
By Death ... ...Rs.	4,30,935	12	0
By Maturity ... ... „	11,582	8	0
By Disability ... ... „	17,850	0	0
	4,60,368	4	0
Surrenders including surrenders of Bonus Additions	56,721	12	4
Annuities	6,432	12	0
EXPENSES OF MANAGEMENT :—			
Commissions ...Rs.	4,95,461	5	9
Salaries ... ... „	2,92,879	15	3
Travelling & Conveyance Charges ... „	64,699	5	6
Directors' Fees ... „	6,465	0	0
Medical Fees ... „	71,815	3	10
Rent ... ... „	21,770	8	3
Advertising ... ... „	11,615	11	10
Printing & Stationery.. „	33,539	5	2
Actuarial Charges ... „	100	0	0
Allowance to Organisers and Agents ... „	57,060	1	0
Policy Stamps ... „	7,297	13	11
Postages, Telegrams & Receipt Stamps ... „	28,395	6	0
Bank and Remittance Charges ... ... „	7,616	9	8
Auditors' Fees... ... „	6,443	12	0
Telephone Charges ... „	2,494	9	0
Legal Charges ... „	3,278	4	8
Expenses on Claims ... „	2,213	14	6
Miscellaneous Charges „	13,755	4	5
	11,26,902	2	9
Loss on Sale of Investments	6,393	3	8
Contribution to Staff Provident Fund ...	21,495	8	0
Depreciation on Furniture, Motor Cars and Adrema Equipment	15,179	11	8
Transferred to Reserve for Bad & Doubtful Debts	13,945	1	10
Amount of Life Assurance Fund at the end of the year as per Balance Sheet ...	99,25,100	2	1
	Rs. 1,16,32,538	10	4

LEASEHOLD REDEMPTION ASSURANCE AND SINKING FUND ACCOUNT

For the year ended 31st December, 1938.

	Rs.	a.	p.
Leasehold Redemption Assurance and Sinking Fund at the beginning of the year	1,354	8	9
Premiums	4,164	13	0
Interest	108	15	4
Rs.	5,628	5	1

	Rs.	a.	p.
Expenses of Management	368	8	0
Commission	1,057	8	0
Leasehold Redemption Assurance and Sinking Fund at the end of the year as per Balance Sheet	4,202	5	1
Rs.	5,628	5	1

As per our Report annexed.

W. MILLARD, *General Manager.* S. B. CARDMASTER, *Life Manager.*

A. F. FERGUSON & Co., *Chartered Accountants, Registered Accountants.*
S. B. BILLIMORIA & Co., *Registered Accountants.*
Auditors.

Bombay, dated the 25th May 1939.

CHUNILAL V. MEHTA *Chairman.*
J. R. D. TATA
AMBALAL SARABHAI
SULEMAN CASSUM MITHA
RAMNIWAS RAMNARAIN
A. D. SHROFF
H. P. MODY
Directors.

The New India Assurance Company, Limited.

FIRE REVENUE ACCOUNT

For the year ended 31st December, 1938.

		Rs.	a.	p.
Fire Insurance Fund at the beginning of the year :—				
Reserve for unexpired risks ... ...Rs.	12,23,612 0 0			
Additional Reserve „	23,75,000 0 0			
		35,98,612	0	0
Premiums after deduction of Reinsurances		32,92,464	8	6
Interest and Dividends...Rs.	1,40,708 9 0			
Less—Income-Tax thereon ... „	13,719 1 6			
		1,26,989	7	6
	Rs.	70,18,066	0	0

		Rs.	a.	p.
Claims paid and Outstanding after deduction of Reinsurances		12,52,520	1	5
Commission		11,29,123	1	10
EXPENSES OF MANAGEMENT :—				
Salaries ... ...Rs.	2,81,026 2 6			
Rents ... ... „	12,612 0 6			
Advertisements, Printing and Stationery, Postage and Telegrams, Allowances, Travelling and Conveyance, Bank Charges, Licences and Subscriptions ... ... „	95,314 4 9			
Other Expenses ... „	41,659 8 9			
		4,30,612	0	6
Foreign Taxes and Contributions to Fire Brigades		60,720	13	2
Transferred to Profit and Loss Account ...		3,88,103	15	1
Fire Insurance Fund at the end of the year :—				
Reserve for unexpired risks being 40% of the Premiums of the year ...Rs.	13,16,986 0 0			
Additional Reserve ... „	24,40,000 0 0			
		37,56,986	0	0
	Rs.	70,18,066	0	0

MARINE REVENUE ACCOUNT

For the year ended 31st December, 1938.

		Rs.	a.	p.
Marine Insurance Fund at the beginning of the year		24,35,499	3	4
Premiums after deduction of Reinsurances		26,24,352	12	9
Interest and Dividends...Rs.	93,506 7 8			
Less—Income-Tax thereon ... „	9,116 14 2			
		84,389	9	6
Transferred from Profit & Loss A/c. ...		35,000	0	0
	Rs.	51,79,241	9	7

		Rs.	a.	p.
Claims paid and Outstanding after deduction of Reinsurances		22,95,682	5	1
Commission		3,10,231	5	6
EXPENSES OF MANAGEMENT :—				
Salaries ... ... Rs.	73,173 13 5			
Rents ... ... „	4,058 14 0			
Advertisements, Printing and Stationery, Postage and Telegrams, Allowances, Travelling and Conveyance, Bank Charges, Licences and Subscriptions ... „	34,775 4 8			
Other Expenses ... „	25,306 8 11			
		1,37,314	9	0
Marine Insurance Fund at the end of the year		24,36,013	6	0
	Rs.	51,79,241	9	7

As per our Report annexed.

W. MILLARD
General Manager.

A. F. FERGUSON & Co.,
Chartered Accountants,
Registered Accountants.

S. B. BILLIMORIA & Co.,
Registered Accountants.
} *Auditors.*

Bombay, dated the 25th May 1939.

CHUNILAL V. MEHTA *Chairman.*

J. R. D. TATA
AMBALAL SARABHAI
SULEMAN CASSUM MITHA
RAMNIWAS RAMNARAIN
A. D. SHROFF
H. P. MODY
} *Directors.*

The New India Assurance Company, Limited.

ACCIDENT REVENUE ACCOUNT

For the year ended 31st December, 1938.

		Rs.	a.	p.
Accident Insurance Fund at the beginning of the year :—				
Reserve for unexpired Risks ... ...Rs.	4,04,370 0 0			
Additional Reserve ... „	5,65,000 0 0			
		9,69,370	0	0
Premiums after deduction of Reinsurances		11,34,622	7	4
Interest and Dividends...Rs.	38,372 10 0			
Less—Income-Tax thereon ... „	3,741 5 3			
		34,631	4	9
Rs.		21,38,623	12	1

		Rs.	a.	p.
Claims paid and Outstanding after deduction of Reinsurances		5,81,299	11	8
Commission		2,85,656	3	4
EXPENSES OF MANAGEMENT :—				
Salaries ... ... Rs.	79,005 10 6			
Rents ... ... „	4,287 13 4			
Advertisements, Printing and Stationery, Postage and Telegrams, Allowances, Travelling and Conveyance, Bank Charges, Licences and Subscriptions ... ... „	26,213 7 4			
Other Expenses ... „	9,236 12 9			
		1,18,743	11	11
Transferred to Profit & Loss Account ...		19,075	1	7
Accident Insurance Fund at the end of the year:—				
Reserve for unexpired risks being 40% of the premiums of the year ... Rs.	4,53,849 0 0			
Additional Reserve ... „	6,80,000 0 0			
		11,33,849	0	0
Rs.		21,38,623	12	1

PROFIT AND LOSS ACCOUNT

For the year ended 31st December, 1938.

		Rs.	a.	p.
Balance of last account ...Rs.	6,91,902 13 6			
Less, Dividend declared on 30-6-38 ... „	4,74,737 0 0			
		2,17,165	13	6
Interest & Dividends ...Rs.	4,23,256 11 0			
Less—Income-Tax thereon ... ... „	41,290 14 3			
		3,81,975	12	9
Transfer and other fees		5,377	12	0
Transferred from Fire Revenue Account ...		3,83,103	15	1
Transferred from Accident Revenue Account		19,075	1	7
Shareholders' Proportion of Life Profits ...		17,230	14	0
Bad and Doubtful Debts Reserve written back		7,382	6	1
Rs.		10,36,311	11	0

	Rs.	a.	p.
Expenses of Management not charged to other Accounts ... ... (including Directors' Fees Rs. 19,170-0-0 and Salaries Rs. 20,604-11-0)	64,795	7	11
Contribution to Staff Provident Fund ...	32,272	8	0
Furniture and Motor Cars written off ...	11,773	5	8
Transferred to Marine Revenue Account ...	35,000	0	0
Balance as per Balance Sheet	8,92,470	5	5
Rs.	10,36,311	11	0

The total amount of net commission shown in the Fire, Marine and Accident Revenue Accounts includes Rs. 1,42,265-6-9 paid or payable to Directors or their firms in respect of insurance business effected with the Company.

As per our Report annexed.

W. MILLARD
General Manager.

A. F. FERGUSON & Co.,
Chartered Accountants,
Registered Accountants.

S. B. BILLIMORIA & Co.,
Registered Accountants.

Auditors.

CHUNILAL V. MEHTA *Chairman.*

J. R. D. TATA
AMBALAL SARABHAI
SULEMAN CASSUM MITHA
RAMNIWAS RAMNARAIN
A. D. SHROFF
H. P. MODY

Directors.

Bombay, dated the 25th May 1939.

BALANCE SHEET AS

LIABILITIES

			Rs. a. p.
Life Assurance Fund	... Rs.	99,25,100 2 1	
Leasehold Redemption Assurance and Sinking Fund ...	... „	4,202 5 1	
Outstanding Liabilities of Life Assurance Fund ...	... „	9,06,569 0 11	
			1,08,35,871 8 1
AUTHORISED CAPITAL :—			
800,000 Shares of Rs. 75 each	... Rs.	6,00,00,000 0 0	
ISSUED & SUBSCRIBED CAPITAL :—			
474,737 Shares of Rs. 75 each	... Rs.	3,56,05,275 0 0	
Amount called and paid up at Rs. 15 per Share on 474,737 Shares ...	.....		71,21,055 0 0
Balance of Refund of Capital due to Shareholders	.....		46,760 0 0
Fire Insurance Fund	.....		37,56,986 0 0
Marine Insurance Fund	.....		24,36,013 6 0
Accident Insurance Fund	.....		11,33,849 0 0
Investment Reserve	.....		5,92,282 14 7
Reserve for Exchange	.....		61,114 15 11
Reserve for Income-Tax and Super-Tax	.....		2,11,448 7 0
Staff Compassionate & Charitable Allowance Fund	.....		19,650 0 0
Unclaimed Dividends	.....		71,952 0 0
Claims Admitted or Intimated but not paid, less Amounts Recoverable under Reinsurances :—			
Fire	... Rs.	3,00,081 0 8	
Marine	... „	3,99,012 6 0	
Accident	... „	2,12,085 0 4	
			9,11,178 7 0
Amounts due to other Companies for Reinsurances and Losses ...	.....		3,66,360 10 11
Outstanding Commissions & Charges	.....		5,12,272 9 4
Premiums received in Advance	.....		7,751 14 8
Sundry Creditors	.....		34,749 2 3
Balance of Profit & Loss Account	.....		8,92,470 5 5

There is a contingent liability of Rs. 63,450-0-0 on investments in shares of joint stock Companies.

Rs. 2,90,11,766 5

As per our Report annexed.

A. F. FERGUSON & Co.,
Chartered Accountants,
Registered Accountants.

S. B. BILLIMORIA & Co.,
Registered Accountants.

Auditors.

'ombay, dated the 25th May 1939.

Company, Limited.

AT 31st DECEMBER, 1938.

ASSETS

				Rs. a. p.	Rs. a. p.
Assets of the Life Assurance Fund as per separate Balance Sheet				.....	1,08,35,871 8 1
Mortgage on Property within India				.....	1,50,000 0 0
Mortgages on Property out of India at or below cost				.....	1,16,994 1 9
INVESTMENTS at or below cost :—					
Indian Government Securities	to the face value of Rs.	67,39,300	...	65,41,422 13 5	
Indian Government Securities (Sterling)	" "	£ 323,450	...	42,12,619 7 5	
British Dominions Government Securities	" "	£ 20,382-2-9		2,68,072 15 1	
British Dominions Government Securities	" "	£ (S.A.) 24,500-0-0		3,26,666 10 8	
Foreign Government Securities	" "	$ 40,000	...	1,06,000 0 0	
Indian Municipal and Port Trust Bonds	" "	Rs. 9,48,000	...	9,27,866 11 0	
Indian Port Trust Bonds	" "	£ 39,300	...	5,59,327 5 4	
Foreign Municipal Securities	" "	$ 85,000	...	1,61,802 3 5	
Debentures of Companies	" "	Rs. 2,84,250	...	2,84,250 0 0	
Debentures of Companies	" "	$ 58,000	...	1,53,700 0 0	
Preference Shares of Companies	" "	Rs. 1,76,900	...	2,19,173 6 10	
Preference Shares of Companies	" "	£ (A) 1,800	...	24,836 9 3	
Preference Shares of Companies Redeemable @ $ 110·00	" "		...	24,592 0 0	
Ordinary Shares of Companies	" "	Rs. 1,95,600	...	3,34,083 0 0	
Ordinary Shares of Companies	" "	£ 4,780	...	1,22,685 10 8	
Ordinary Shares of Companies	" "	$ 10,000	...	41,873 2 0	
				1,43,07,792 2 1	
Land and Building out of India below cost	... ...	...	...	19,345 0 0	
					1,43,27,137 2 1
Staff Compassionate & Charitable Allowance Fund Investment at cost :—					
4% Government of India Loan 1960-70 to the face value of Rs. 20,000			...	.....	19,650 0 0
Remittances in transit	... ...	... ...	...	.....	11,659 5 4
Agents' Balances	... ...	... ...	...	3,74,599 4 11	
Outstanding Premiums (less refunds)	... ...	... ...	...	12,26,043 12 6	
Sundry Debtors (including Rs. 8,216-7-0 for Sundry Deposits and Rs. 1,288-3-0 for Advances	... ...	... ...	...	17,474 10 4	
Amounts due by other Companies for Reinsurances and Losses		...	...	69,744 9 6	
				16,87,862 5 3	
Less, Reserve for bad and doubtful debts, (Balance considered good)			...	1,45,000 0 0	
					15,42,862 5 3
Reserve deposited with Ceding Companies less held on account of reinsurances ceded by the Company	... ...	... ...	...	.....	3,12,659 9 6
(Government Paper of Face Value of £ 9,000 also held as deposit from a Treaty Company).					
Interest accrued on Investments & Deposits	...	... ...	...	.....	1,40,916 13 0
Life Department Current Account	...	... ...	...	.....	2,581 2 1
CASH :					
On Fixed Deposit Accounts with Banks	...	...	...	7,19,250 0 0	
On Current Accounts " "	...	...	...	8,14,231 14 6	
Cash and Stamps in hand	...	...	...	17,952 7 7	
					15,51,434 6 1
Furniture and Motor Cars at Cost	...	...	...	1,61,499 15 10	
Less, written off (including Rs. 11,773-5-8 this year)		...	...	1,61,499 15 10	
					Nil.
				Rs.	2,90,11,766 5 2

1. Part of the Assets has been deposited under local Laws or by Contract in various places in and outside British India as security to holders of policies issued.

2. The book values of Stock Exchange Securities are in the aggregate below the Stock Exchange prices at 31st December 1938.

3. We certify that the Assets set forth in the above Balance Sheet are in the aggregate fully of the values stated therein and make ample provision for all the liabilities of the Company.

CHUNILAL V. MEHTA *Chairman.*
J. R. D. TATA
AMBALAL SARABHAI
SULEMAN CASSUM MITHA
RAMNIWAS RAMNARAIN *Directors.*
A. D. SHROFF
H. P. MODY

W. MILLARD
General Manager.

Bombay, dated the 25th May 1939.

Balance Sheet of the Life Assuranc

LIABILITIES

	Rs.	a.	p.
Life Assurance Fund	99,25,100	2	1
Leasehold Redemption Assurance and Sinking Fund	4,202	5	1
General Department Current Account	2,581	2	1
Premium and other Deposits	1,52,247	7	1
Premiums received in Advance	9,406	4	2
Claims admitted or intimated but not paid less amounts recoverable under reinsurances	4,21,418	0	0
Reinsurance Premiums payable	49,450	15	0
Sundry Creditors for Commissions, Medical Fees, etc.	1,44,197	11	7
Reserve for Income-Tax and Super-Tax	1,10,036	11	0
Shareholders' Life Profit Account	17,230	14	0

There is a contingent liability of Rs. 55,521-10-8 on investments in Shares of Joint Stock Companies.

There is no mortgage or charge on any of the Assets.

No part of the Life Assurance Fund has been applied directly or indirectly for any purpose other than the class of business to which it is applicable.

Rs. 1,08,35,871 8 1

As per our Report annexed.

A. F. FERGUSON & Co.,
Chartered Accountants,
Registered Accountants.

S. B. BILLIMORIA & Co.,
Registered Accountants.

Auditors.

Bombay, dated the 25th May 1939.

Company, Limited.

Fund on the 31st December, 1938.

ASSETS

				Rs. a. p.	Rs. a. p.
Mortgages on Property within India				.....	4,28,083 0 0
Mortgages on Property out of India				.....	53,200 0 0
Loans on Company's policies within their surrender values				.....	3,51,046 0 0
INVESTMENTS at or below Cost :—					
4% Government of India Loan 1960-70 (Deposited with the Controller of Currency) to the Face Value of	Rs.	2,00,000 0 0		2,10,625 0 0	
5% War Loan 1945-55 (Deposited in Rangoon with the Reserve Bank of India) to the Face Value of	,,	2,00,000 0 0		2,27,875 0 0	
4½% India Sterling Stock 1950-55 (Deposited in London with the Paymaster General) to the Face Value of	£	24,939 16 6		3,15,301 10 7	
5% Union of South Africa Stock 1950-70 (Deposited with the Minister of Finance, Union of South Africa) to the Face Value of	,,	10,000 0 0		1,34,259 13 10	
Indian Government Loans to the Face Value of	Rs.	13,20,000 0 0		14,07,815 1 10	
Indian Sterling Stocks to the Face Value of	£	74,000 0 0		9,60,086 15 1	
Provincial and Indian State Government Loans to the Face Value of	Rs.	68,000 0 0		67,100 0 0	
Indian & Burma Municipal, Indian Improvement and Port Trust Bonds to the Face Value of	,,	23,00,700 0 0		25,92,158 7 5	
Indian Port Trust Bonds to the Face Value of	£	24,300 0 0		4,20,010 7 1	
Debentures of Companies to the Face Value of	Rs.	3,58,350 0 0		3,62,657 8 0	
Debentures of Railways in India to the Face Value of	,,	25,000 0 0		25,531 4 0	
Debentures of Companies to the Face Value of	$	9,000 0 0		20,843 13 10	
Debentures of Railways in India to the Face Value of	£	25,200 0 0		3,32,565 10 7	
Preference Shares of Railways in India to the Face Value of	Rs.	3,100 0 0		3,378 0 0	
Preference Shares of Companies to the Face Value of	,,	7,14,360 0 0		9,62,248 11 4	
Preference Shares of Companies to the Face Value of	$	10,000 0 0		22,790 0 0	
Preference Shares of Companies Redeemable @ $. 110				19,875 0 0	
Preference Shares of Companies to the Face Value of	£	1,620 0 0		21,894 8 0	
Ordinary Shares of Railways in India to the Face Value of	Rs.	6,500 0 0		9,701 0 0	
Ordinary Shares of Companies to the Face Value of	,,	2,95,530 0 0		5,67,019 14 0	
Ordinary Shares of Companies to the Face Value of	$	5,000 0 0		27,802 6 1	
Ordinary Shares of Companies to the Face Value of	£	3,225 0 0		87,122 13 0	
Ordinary Stock of Railways in India to the Face Value of	,,	3,500 0 0		27,214 0 0	
Guaranteed Stock of Railways in India to the Face Value of	,,	1,816 0 0		27,756 13 4	
					88,53,333 14 0
Advances to Policyholders under automatic non-forfeiture benefit				.....	2,83,127 2 0
Remittances in Transit				.....	16,875 11 9
Agents' Balances	Rs.	50,326 13 11			
Sundry Advances and Deposits (including Rs. 2,800 due by Officers of the Company)	,,	13,370 5 9			
	Rs.	63,697 3 8			
Less—Reserve for Bad & Doubtful Debts (balance considered good)	,,	15,000 0 0			
					48,697 3 8
Outstanding Premiums (considered good)				.....	1,95,327 9 0
Outstanding Interest				.....	25,764 5 0
Interest accrued but not payable				.....	94,526 12 6
Furniture, Motor Cars and Adrema Equipment at Cost	Rs.	1,08,433 6 2			
Less—Depreciation to date	,,	40,576 14 8			
					67,856 7 6
Advances to Company's Employees and Representatives for purchase of Motor Cars (including Rs. 1,400/- to an Officer)				.....	9,978 9 8
CASH :—					
On Current Account with Banks	Rs.	3,98,256 15 3			
Cash and Stamps in hand	,,	6,797 13 9			
					4,05,054 13 0
				Rs	1,03,35,871 8 1

We beg to state that the above Balance Sheet, to the best of our belief, contains a true account of the assets and liabilities of the department and that the Assets are in the aggregate fully of the value stated.

W. MILLARD
General Manager.

S. B. CARDMASTER
Life-Manager.

CHUNILAL V. MEHTA — *Chairman.*

J. R. D. TATA
AMBALAL SARABHAI
SULEMAN CASSUM MITHA
RAMNIWAS RAMNARAIN
A. D. SHROFF
H. P. MODY
— *Directors.*

Bombay, dated the 25th May 1939.

The New India Assurance Company, Limited.

Statement under Clause (e) of Section 7 (1) of the Indian Life Assurance Companies' Act, 1912, for the year ended 31st December 1938.

	New Life Assurance business in respect of which a Premium has been paid during the year.				Total Life Assurance business in force at the end of the year.		Premium Income for which Credit has been taken in the Revenue Account.
	No. of Policies.	Sums assured and Annuities per Annum.	Single Premiums and consideration for Annuities.	Yearly Renewal Premium Income.	No. of Policies.	Sums assured with Bonuses and Annuities per Annum.	
Ordinary Policies—		Rs.	Rs.	Rs.		Rs.	Rs.
In India	6,433	1,37,29,800	7,297-0-0	7,45,167--1-0	29,484	6,58,17,560--3-0	36,49,283--1--3
Out of India	463	19,02,167	.....	97,227--5-0	1,335	43,95,308--3-4	2,51,157-14-11
Total...	6,896	1,56,31,967	7,297-0-0	8,42,394--6-0	30,819	7,02,12,868--6-4	39,00,441--0--2
Annuity Contracts—							
In India:							
Immediate	2	829-8-0	10,443-0-0	Nil.	6	7,135--8-0	10,443--0--0
Deferred	Nil.	Nil.	Nil.	Nil.	2	840--0-0	919-12--0
Out of India	Nil.	Nil.	Nil.	Nil.	Nil.	Nil.	Nil.
Total...	2	829-8-0	10,443-0-0	Nil.	8	7,975--8-0	11,362-12--0
Group Insurance Policies—							
In India ... ... } Out of India ... ... }	Nil.	Nil.	Nil.	Nil.	Nil.	Nil.	Nil.
Total...	Nil.	Nil.	Nil.	Nil.	Nil.	Nil.	Nil.
Leasehold Redemption Policies—							
In India	1	6,00,000-0-0	Nil.	3,525-0-0	3	8,50,000--0-0	4,164-13--0
Out of India	Nil.	Nil.	Nil	Nil.	Nil.	Nil.	Nil.
Total...	1	6,00,000-0-0	Nil.	3,525-0-0	3	8,50,000--0-0	4,164-13--0

Claims paid (including bonuses)

By Death :—

	Rs.	a.	p.
In India	3,28,475	6	0
Outside India	23,246	8	0
	3,51,721	14	0

By Maturity :—

In India	11,682	8	0
Outside India	300	0	0
	11,982	8	0

By Disability :—

In India	1,200	0	0
Outside India	Nil.		
	1,200	0	0

Note :—Amounts shown are after deduction of Re-assurances.

The New India Assurance Company, Limited.

(INCORPORATED IN INDIA).

Head Office:—Esplanade Road, Fort, BOMBAY.

BRANCHES:

CALCUTTA.	*Branch Manager*, Y. R. Patell.	LUCKNOW.	*Branch Secretary*, L. C. Khosla.
MADRAS.	*Branch Manager*, K. K. Srinivasan.	AJMERE.	*Branch Secretary*, M. S. Ahluwalia.
RANGOON.	*Branch Manager*, S. B. Nariman.	DELHI.	*Branch Secretary*, D. H. Cooper.
KARACHI.	*Branch Manager*, U. J. Vaswani.	PATNA.	*Branch Secretary*, M. L. Wadera.
LAHORE.	*Branch Manager*, J. P. Lalwani.	NAIROBI.	*Resident Secretary for E. Africa*, P. A. Advani.

PRINCIPAL AGENCIES:

BOMBAY—TATA SONS, Ltd.

LONDON ... { Sedgwick Collins (Agencies) Ltd., London Agents.
Commercial Union Assurance Co., Ltd., Marine Underwriters.

INDIA.

AHMEDABAD.	Chimanlal Nagindas.
AMALNER.	Seth Motilal Maneckchand.
CALCUTTA.	Bird & Company. Martin & Co., Ltd. Birla Bros., Ltd. National Agency Co., Ltd.
CALICUT.	Peirce, Leslie & Co., Ltd.
COCHIN.	Peirce, Leslie & Co., Ltd.
COIMBATORE.	T. Stanes & Co., Ltd.
GUJERAT.	N. M. Fozdar & Co.
KARACHI.	Bhaichand M. Lakhani.
MADRAS.	Roshan N. M. A. Carim Oomer & Co.
MARMAGOA.	Killick, Nixon & Co.
MANGALORE.	Peirce, Leslie & Co., Ltd.
MYSORE.	Bank of Mysore, Ltd.
WARDHA (C. P.)	Seth Bachhraj Jamnalal.

ADEN.	Cowasjee Dinshaw & Bros.
ALEXANDRIA.	Chini-Sinigallia.
ANTUNG.	George L. Shaw.
CHEFOO.	George L. Shaw.
COLOMBO.	H. L. De Mel & Co.
DJIBOUTI.	G. M. Mohamedally & Co.
FIJI.	General Agencies in Fiji.
FOOCHOW.	George L. Shaw.
HONGKONG.	The Bank Line (China), Ltd.
IRAQ.	K. Chouker & J. Aboudi.
KUALA LUMPUR.	K. Ismail Ghaney Rawther & Co.
MADAGASCAR.	A. M. Hassanally. M. Cassam Chinai. Société Commerciale de Tananarive. G. M. Fakra.
MAURITIUS.	A. K. Aboobaker & Co.
NETHERLANDS EAST INDIES.	Blom & Van Der Aa.
PEIPING.	Perrin, Cooper & Co., Ltd.
PHILLIPHINE ISLANDS.	F. E. Zuellig, Inc.
REUNION.	Jean Chatel.
SHANGHAI.	Harvie, Cooke & Co., Ltd.
SINGAPORE.	A. T. E. Maskati. Blom & Van Der Aa.
SYRIA.	Les Fils de Soulemaine Kattar.
TANGANYIKA.	Kampala General Agency, Ltd.
TIENTSIN.	Perrin, Cooper & Co., Ltd.
UGANDA.	Narandas Rajaram & Co. (Africa), Ltd.
UNION OF SOUTH AFRICA.	Jalbhoy Rustomjee.
ZANZIBAR.	Cowasjee Dinshaw & Bros.

EUROPE.

AMSTERDAM.	Bekouw & Mijnssen.	PARIS.	P. Titeux.
ANTWERP.	Guillaume Francken.	ROTTERDAM.	Gebrs. Van Buren.

THE
NEW INDIA ASSURANCE COMPANY,
LIMITED.

(Established 1919.)

REPORT,
ACCOUNTS and BALANCE SHEET
for the year ended
31st December 1938.

NOTICE IS HEREBY GIVEN that the **Twentieth Ordinary General Meeting** of the Shareholders of the Company will be held in the **Central Bank Building, 3rd Floor, (Dean Lane Entrance), Esplanade Road, Fort, Bombay,** on **Thursday,** the **29th June 1939,** at **4-30 P. M.** (S. T).

(*i*) To receive and adopt the Directors' Report and the Audited Accounts for the year ended 31st December, 1938.

(*ii*) To declare a Dividend.

(*iii*) To elect three Directors in place of Sir Chunilal V. Mehta, K. C. S. I., Mr. J. R. D. Tata and Mr. Ramniwas Ramnarain, who retire by rotation but are eligible for re-election and offer themselves accordingly.

(*iv*) To elect a Director in the place of Sir H. P. Mody, K. B. E., who has been appointed Director under Article 88 of the Company's Articles of Association and retires under the same Article, but is eligible for re-election and offers himself accordingly.

(*v*) To consent to the re-election as Directors of Mr. J. R. D. Tata and Sir H. P. Mody, K.B.E., notwithstanding that they are Shareholders and Directors of Messrs. Tata Sons Ltd., who hold the office of Chief Agents of the Company in Bombay, and to consent to Messrs. Tata Sons Ltd., of which they are Directors, holding the above office of profit.

(*vi*) To appoint Auditors for the current year and to fix their remuneration.

(*vii*) To transact any other business the Chairman may bring before the Meeting.

The **TRANSFER BOOKS** of the Company will be **CLOSED** from the **15th** day of **June** to the **13th** day of **July 1939** (both days inclusive).

By Order of the Board,

W. MILLARD

General Manager.

Bombay, 22nd May 1939.

N. B.—The Dividend, if declared at the General Meeting, will be payable at the Registered Office of the Company, Central Bank Building, Esplanade Road, Fort, Bombay, on and after the 21st July 1939, to those Shareholders whose names stand on the Company's Register on the 14th June 1939.

Printed at The Commercial Printing Press,
105, Cowasji Patell Street, Fort, Bombay.

D.O. No. P 6293

IMMEDIATE. 19th March 1940.

Dear Sir,

I am desired to state that the undermentioned Banks have applied for exemption from the provisions of the Mysore Money-lenders Act, 1939, and to enquire whether they have been submitting their statements of account as required by the Companies Act, and if so from what date and whether exemption may be given to all or any of them. The favour of an immediate reply is requested.

1. Indian Bank Ltd.,
2. The Central Bank of India Ltd.,
3. The Vysya Bank Ltd.,
4. Madhwa Siddanta Bank Ltd.,
5. Canara Bank Ltd.,
6. Devanga Bank Ltd.,
7. Sringeri Sri Sarada Bank Ltd.

I am also to request that a list of all Insurance Companies that are doing business in Mysore and which are submitting proper statement of accounts may be sent to Government to enable them to consider applications for exemption that may be received from them.

Yours sincerely,

H
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19.3

T.Venkatesa Iyengar, Esq., M.A.,
Registrar of Joint Stock Companies,
in Mysore, Bangalore.

As mistakes in person this D.O. is submitted for signature.
19.3.40

THE SRIMAN MADHWA SIDDHANTA ABHIVRIDDHIKARINI BANK, LTD.
(THE S. M. S. A. BANK, LTD.)

PHONE No. 2496

No. 2, 2ND MAIN ROAD,
NEW THARAGUPET,

No. W 5361
21 MAR 1940
GOVT O

Bangalore City, 20th Mar'40.
21

The Secretary,
The Law Department,
The Government of Mysore in Bangalore,
New Public Offices, Bangalore.

Dear Sir,

Ref:-Request for exemption from the operations of the Mysore Money-lenders Act of 1939.

May we invite your kind reference to our office communication No.4905 - dated 29th Feb'40, concerning the above,- and request you to kindly let us know as to how the matter stands?

Thanking you,

Yours faithfully,
For The S. M. S. A. Bank,Ltd.,

Offg. Secretary.

GSR.
Cdu.

Mr. M. Venkatesa Iyengar, M.A.,
Superintendent of Insurance,
/Registrar of Joint Stock Companies
and of Firms in Mysore.

6457/39

NEW PUBLIC OFFICES,

Dated Bangalore, the 29-3-1940.

D. O. No. C 1287/39-40

IMMEDIATE.

Dear Sir,

With reference to your D.O. letter No.P.6293, dated the 19th March 1940, regarding the exemption of certain Banks under the Money-lenders Act of 1939, I write to state that all the *Banks referred to in your letter are regular in submitting their returns under the Mysore Companies Act of 1938.

	Date of Registration.
1. Indian Bank, Limited.	6-2-1932.
2. The Central Bank of India, Limited. ..	8-4-1939.
3. Vysya Bank, Limited.	29-3-1922.
4. Madhwa Siddanta Bank, Ltd.	12-4-1930.
5. Canara Bank, Limited.	1-11-1932.
6. Devanga Bank, Limited.	22-1-1926.
7. Sringeri Sri Sarada Bank, Limited. ..	13-5-1914.
8. Hindu Bank Karur, Limited.	1-2-1932.

The Hindu Bank Karur, Limited, has applied to me for exemption. It is also regularly sending the returns under the Mysore Companies Act.

I am of opinion that the above mentioned Banks may be granted exemption from the provisions of the Money Lenders' Act. It is presumed that the exemption will not apply to Sections 14 to 17 (vide your notification No.P.6337/Legis-37-39-6, dated the 20th March 1940).

As regards para 2 of your letter, Insurance Companies have been allowed time up to the end of March 1940 for registration and

a list of Companies registered for the purposes of carrying on business in Mysore will be sent about the middle of next month.

Yours sincerely,

M. Venkatesalyengar

H.V. Narayana Rao, Esquire, B.A., LL.B.;
Secretary to the Government of His
Highness the Maharaja of Mysore,
Law Department, BANGALORE.

THE SRIMAN MADHWA SIDDHANTA ABHIVRIDDHIKARINI BANK, LTD.
(THE S. M. S. A. BANK, LTD.)

PHONE No. 2496

No. 2, [illegible] Main Road,
NEW THARAGUPET,
Bangalore City, 24-4-40.

R. 5844

SECY. LAW DEPT. 24 APR. 1940 GOVT OF MYSORE

25 APR. 1940

The Secretary, to Government,
Law Department,
Bangalore.

Dear Sir,

Re:-Money Lenders Act of 1939.

We beg to acknowledge the receipt of your letter No,p6841 of the 18th instant exempting us from the operation of the act except the provisions of Sections 14 to 17 (both inclusive) and to thank the Government of Mysore very much for the concession accorded.

Yours Faithfully,
For The S.M.S.A. Bank Ltd.,

G. Santanrooppa
Director.

ANK.

Form No. 164

ALL COMMUNICATIONS TO BE ADDRESSED TO THE MANAGER

TELEGRAPHIC ADDRESS: MYSOREBANK

6 7 L / 37
P 037

THE BANK OF MYSORE, LTD.
P. O. BOX No. 37

BANGALORE, 22nd April 1940

No. Legis

Rsu

50 47926

COPIED.

The Law Secretary,
Government of Mysore,
Public Offices,
Bangalore.

23/4
23/4

Dear Sir,

Re: Mysore Money Lenders Act. 193[9]

.....

We acknowledge with thanks receipt of your letter No. P.6890 of the 19th instant with its enclosures.

Yours faithfully,

Manager.

RK.

NOTIFICATION.

Order No. P. 206—Legis. 4-39-1, dated Bangalore the 12th July 1939.

Ordered that the accompanying Money Lenders' Act which received the assent of His Highness the Maharaja, on the third day of July 1939 be published as Act XIII of 1939, in the *Mysore Gazette* for general information.

C. SUBRAHMANYA AIYAR,
Secretary to Government,
Law Department.

ACT XIII OF 1939.

THE MONEY LENDERS' ACT

(Received the assent of His Highness the Maharaja on the third day of July 1939.)

Whereas it is expedient to regulate and control the transactions of money lending; It is hereby enacted as follows:—

CHAPTER I.

Preliminary.

Short Title. 1. (1) This Act may be called the Mysore Money Lenders' Act, 1939.

Application. (2) The Government may, by notification in the official Gazette, apply all or any of the provisions of this Act to any local area or to any class of money lenders from such date as may be specified in the notification and may also by a like notification exclude from the operation of this Act any local area or exempt any money lender or class of money lenders or any class of loans from the operation of all or any of the provisions of this Act.

Definitions. 2. In this Act unless there is anything repugnant in the subject or context:—

(1) "court" includes a Court acting in the exercise of insolvency jurisdiction;

(2) "interest" includes any sum by whatsoever name called in excess of the principal paid or payable to a money lender in consideration of or otherwise in respect of a loan, but does not include any sum lawfully charged in accordance with the provisions of this Act or any other law for the time being in force by a money lender for or on account of costs, charges or expenses;

(3) "loan" means an advance whether of money or in kind on interest made by a money lender and includes any transaction which in the opinion of the court is in substance a loan;

(4) "money lender" means an individual or an undivided Hindu family or an unincorporated body of individuals or body corporate incorporated under any law in Mysore or outside Mysore, or a body which stands to

any such body corporate in the relation of a subsidiary body and includes assignees and the legal representative of the money lender, who or which—

(i) carries on the business of money lending in the State; or

(ii) has his or its principal place of such business in the State;

and includes a pawn-broker;

(5) "money lending business" or "business of money lending" means the business of advancing loans either solely or in common with any other business;

(6) "pawn-broker" means a person who carries on the business of taking goods and chattels in pawn for a loan;

(7) "pawner" means a person delivering an article for pawn to a pawn-broker;

(8) "prescribed" means prescribed by rules made under this Act;

(9) "principal" means in relation to a loan the amount actually lent to the debtor;

(10) "register" means a register of money lenders maintained under Section 4;

(11) "registrar" means the registrar of money lenders appointed under Section 3;

(12) "secured loan" means a loan for which the money lender holds a mortgage, charge or lien on the property of the debtor or any part thereof as a security for that loan; and

(13) "unsecured loan" means any loan other than a secured loan.

CHAPTER II.

Registration and Licensing of Money Lenders.

Appointment of Registrars.

3. The Government may appoint registrars of money lenders for the purpose of this Act and may define the local areas within which each registrar shall exercise his powers and perform his duties.

Register of money lenders.

4. The registrar shall maintain a register of money lenders in such form as may be prescribed.

Application for registration.

5. Every money lender shall apply in writing to the registrar for the area in which the principal place of business of such money lender is situated or in which he

intends to carry on the business of money lending, to be registered as a money lender. The application shall contain such particulars as may be prescribed. On receipt of such application the registrar shall register the name of the applicant in the register unless disqualified under Section 19. Any such person ceasing to carry on the business of money lending may, on application to the said authority, get his name struck off from the register.

Duration of registration.

6. A registration of a money lender shall be valid for three years from the date of registration but may be renewed from time to time. If renewed it shall have effect for three years from the date of the renewal.

Licence.

7. Every money lender whose name has been registered and to whom this section is made applicable shall annually take out a licence from the registrar on payment of the prescribed fee in such form and subject to such conditions as may be prescribed for carrying on the business of money lending.

Licence to be annual.

8. A licence granted under Section 7, shall, unless sooner cancelled, be in force for one year from the date on which it is granted.

CHAPTER III.

Regulation of Accounts.

Duty to keep accounts.

9. Every money lender shall in respect of every loan advanced by him after the commencement of this Act and every transaction made by him after the commencement of this Act relating to any loan advanced by him before the commencement of this Act, regularly record and maintain or cause to be recorded and maintained an account in such form, language, script and numerals as the Government may prescribe.

Receipt to be given.

10. Every money lender shall, at the time of payment, give to the debtor or his agent for the sum paid by him or on his behalf, a receipt duly signed and if necessary stamped.

Furnishing statement of account.

11. (1) Every money lender shall, on demand made in writing by the debtor at any time during the period when the loan or any part thereof has not been repaid, on payment of the prescribed fee, furnish to the debtor or if he so requires to any person mentioned by him in that behalf, a statement of account in the prescribed form and

showing the amount which remains outstanding on account of the principal and of interest :

Provided that where a money lender has complied with the demand the debtor shall not make a further demand for a statement of account in respect of the same loan within a period of six months from the date of such compliance.

(2) A person to whom a statement of account has been furnished under sub-section (1) shall not be bound to acknowledge or deny its correctness and his failure to object to the correctness of the account shall not by itself be deemed to be an admission of the correctness of such account.

12. (1) Every pawn-broker shall regularly record and maintain an account in which in addition to the particulars contained in the form prescribed under section 9, the following particulars are recorded, namely :—

(*a*) A full and detailed description of the article or of each of the articles taken in pawn.

(*b*) The time agreed upon for the redemption of the pawn.

(*c*) The name of the pawner and where the pawner is not the owner of the article or of any of the articles pawned, the name and address of the owner thereof.

(2) A true copy of the entries in such account signed by the pawn-broker or his duly authorised agent shall be delivered by him to the pawner at the time of the pawn on tender of the prescribed fee.

13. (1) If an officer specially authorised in this behalf by the Government has reason to believe that the accounts required to be maintained under this Act by a money lender are not properly maintained by him, such officer may call upon the money lender to produce all his books of account for inspection and such money lender shall be bound to produce all such books.

(2) If from such inspection it appears that such money lender has committed any offence under this Act, such officer may cause proceedings to be instituted against him in the court having jurisdiction.

CHAPTER IV.

Provisions relating to suits in respect of loans.

The maximum rates of interest to be decreed.

14. Notwithstanding anything contained in any law for the time being in force, no court shall in any suit brought in respect of a loan advanced after the commencement of this Act, pass a decree for interest at rates exceeding 9 per centum per annum in the case of a secured loan and 12 per centum per annum in the case of an unsecured loan.

Maximum rate of compound interest.

15. No money lender shall recover by suit interest of any kind at a rate exceeding 6 per centum per annum *with yearly rests* in respect of any loan made after the commencement of this Act under a contract which provides for the payment of compound interest.

What is excessive interest under Usurious Loans Act

16. Where the interest charged is in excess of the rates prescribed as maximum in sections 14 and 15, the court shall presume for the purpose of section 3 of the Usurious Loans Act that the interest charged is excessive and that the transaction was substantially unfair.

Arrears of interest not to exceed principal.

17. No court shall, in respect of a loan advanced before or after the commencement of this Act, decree on account of arrears of interest, a sum greater than the principal of the original loan.

Penalty for non-compliance with section 9 or section 12.

18. Notwithstanding anything contained in any enactment for the time being in force—

(*a*) if in any suit or proceeding relating to a loan the court finds that the provisions of section 9 or section 12 have not been complied with by the money lender it may, if the plaintiff's claim is established, in whole or in part; disallow the whole or any portion of the interest found due, as may seem reasonable to it in the circumstances of the case and *may disallow the whole or any portion of the costs*;

(*b*) if the money lender to whom a demand has been made under section 11 fails without reasonable excuse to comply therewith within one month after the demand has been made, the court shall disallow interest for the period of default.

CHAPTER V.

Penalties.

Court's power to suspend or cancel license.

19. (1) Where in any suit brought in respect of a loan by a money lender, the court is of opinion that the money lender has been guilty of fraud or of any contravention of the provisions of this Act or of any rule made thereunder [or is otherwise] *and is* unfit to carry on the business of money lending, the court may order that the licence held by such money lender or his registration be suspended for such time as the court may think fit or cancelled and may also declare such money lender disqualified from obtaining a licence or being registered under this Act either permanently or for such period as it thinks fit.

(2) The court shall cause the particulars of any order made under this section to be endorsed on the licence held by the money lender against whom such order is made and shall cause copy of its order to be sent to the registrar by whom the license was granted or the registration was made, for the purpose of entering such particulars in the Register.

(3) Every holder of a licence shall, on being called upon by the court to do so, produce the licence within such time as may be directed by the court.

(4) Any person whose licence or registration has been cancelled or suspended in accordance with the provisions of this section shall, during the period for